

ANNUAL FORECASTS

A compilation of images of forecasts,
as retypeset after the fact for publicity purposes,
together with transcripts of reports released
ahead of the predictions to the public press

by **W. D. Gann**

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FOR THE YEARS 1919-1922

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ANNUAL FORECASTS

In the following pages I am reproducing my Annual Forecasts issued since 1918. They appear exactly as when they were sent out one year in advance.

1919 A BULL YEAR FOR STOCKS

History repeats itself in the stock market as well as in the lives of men. My study of the measurement of time cycles indicates that 1919 falls in the cycle of advancing prices. This year will go down in history as one of a boom in oil stocks. Railroad issues will also have great advances. Steel stocks will be benefited by large increase in foreign business from March until August.

While the general aspects are for a more peaceful period, there is danger that the United States will have disputes with foreign powers during April, August and September, which will cause erratic fluctuations of stocks during these months. However, it is my judgment that all differences will be amicably adjusted and this country will not become involved in war. The Mexican problem will come up for settlement during this year and will cause some anxiety.

The year opens under a wave of slightly bullish influence which culminates between January 4th to 10th. Around the 20th to 25th a very depressing influence is indicated for stocks, when some marked declines may be expected. There will be talk of reduction in dividends and cut in prices of steel and copper. However, a Bull campaign always begins in gloom and ends in glory.

An accumulation of stocks will take place between January 20th and February 14th. Stocks bought during this period will show handsome profits on the advance in April and May.

The rise will start about the end of February and a strong upward tendency will be manifest during March when much optimistic talk will be in evidence.

The Bull wave continues, subject to minor reactions, until about May 10th, after which time a sharp reaction may be expected.

JUNE: During the first half of June the markets in London will be very strong and the buying from the other side will make its influence felt in our markets. From June 22nd to July 10th a depressing influence is shown and there is likely to be some marked depreciation in stocks.

JULY: After the 10th of July the Bull campaign will be resumed. There will be a boom in railroad stocks; also a large increase in foreign business.

AUGUST: Many stocks will reach the top of the boom between the 12th to 15th and have a quick decline to around August 23rd.

SEPTEMBER: A depressing influence is indicated from September 2nd to 8th. After that the Bull market will be resumed and stocks will advance until around September 23rd. If they are very strong around this time, it will be advisable to sell out all long stocks.

OCTOBER: During this month we will witness some marked decline in marine stocks. The general market should be strong up to the 6th or 7th and the bottom of the decline should be reached about October 24th.

NOVEMBER: This will be a very mixed month and a decline may be expected from the 10th to the 20th.

DECEMBER: The indications are that stocks will be weak and decline during the early part of the month and close at the end of the year very strong.

December 16th, 1918.

W. D. GANN.
81 New St., N. Y.

Note how the 1919 Forecast foretold the big boom in Oil stocks and called the exact date for the starting of the Bull campaign. It stated that the rise would begin the end of February.—Bottom on stocks was made February 10 and the big advance started February 14.—It also foretold the big decline November 10 to 20.—At this time many stocks declined 30 to 50 points in three weeks.

1920 FORECAST OF THE STOCK MARKET

My mathematical calculations, based upon a Cycle Theory which I discovered, indicate two Bull and two Bear campaigns for this year. In looking ahead the important points to watch are:

A minor top of the first Bull wave about March 9. April will show much greater advances than March and the Spring Bull campaign will culminate around 22-24.

Distribution will take place during the early part of May. Railroad stocks are likely to reach high prices around May 12-17. The last half of May shows a downward tendency. The panicky decline continues during June, stocks reaching bottom around 10-16. The market will then be slow while accumulation is going on.

The second Bull campaign should start between July 15 and 20. Stocks should be very strong and rapid advances take place in August. Rails should have good advances; steels and coppers also show great activity. Many new issues will be floated during April and August. All stocks should be sold out in August as we will then see top of the great Bull cycle.

The last four months of 1920 all indicate declines and sales are advisable on rallies. A sharp, if not panicky decline will occur in September. Last half of November and first part of December will produce panicky conditions and great liquidation will be under way.

JANUARY: Great progress will be made on the Peace Treaty and there are strong indications that it will be ratified. This will cause rapid advances in stocks. Oils, steels, equipments, and rails all indicate higher prices. Markets should be top around 5-6; decline 13-14; rally to 20-21; decline 25-26; and close the month quite strong.

FEBRUARY: Quite bearish period. There will be war rumors, danger of trouble with Mexico, and probability of complications on account of financial depression in foreign countries. 2-3 slight rally; severe decline around 8-10, where bottom should be made and stocks bought; rally to around 14; decline to 20; and rally to 27.

MARCH: Some trouble is likely to develop in connection with the railroads being turned back to private ownership, which will cause declines. Disturbing conditions on account of war in Europe threatened. Top should be made around 9-10; decline 10-14; slight rally 15-16; decline 18-21, where bottom should be made for quite a rally to around 25; slight reaction around 27; then advance to 31. During last ten days of the month an improved condition in the rails.

APRIL: Indications very bullish and there will be some sensational advances. Grave danger of war with Mexico is threatened. However, it is not likely to disturb the Bull market to any great extent. The advances should start about the 3rd and continue with increasing volume and activity to around 24-25, where top of campaign should be reached and sharp decline start, running to end of the month.

MAY: England will face some grave financial troubles, but their affairs will probably be settled in a satisfactory way. Our trade and commerce

will increase. Be careful about buying stocks as distribution will be taking place and you might not have a chance to sell before the big decline sets in. May 3rd should be top, decline to 6th; rally to 12th, when a slight decline should start. Rails are likely to be high between 12-17. Danger of marked decline in stocks 17-26; then rally to end of the month.

JUNE: This month falls in a cycle of very depressing influences. Serious danger of war, labor unrest, and strikes threatened. Something in connection with foreign countries will cause anxiety and help depress securities. The railroad situation will be far from satisfactory and their shares will decline. 2nd to 3rd slight rally. Sell out all long stocks and go short as balance of month is very bearish. A rapid decline should occur 7-16, where bottom should be made for a rally. Change in trend denoted around 23rd; 25-30 strong rally.

JULY: Stocks will be affected by strikes and labor troubles. Crop news will be bad and political uncertainties cloud the general outlook. However, accumulation will take place and a Bull wave start. 1st to 3rd slight advance; decline 7-9; rally to 16; sudden decline 20-22; balance of month tendency very strong. Something liable to happen to benefit rails and electrical stocks. Between July 20 and 28 trouble threatened to the United States on account of war, possibly with Mexico or Japan. If it comes, it might cause a sudden decline in stocks, followed by a sharp rally.

AUGUST: We will witness very wild and exciting fluctuations, but remember this is the last great boom in stocks. Conditions in France and Belgium will improve and enormous orders from foreign countries will make the situation here look rosy. The public will buy stocks regardless of price. August 1-5 slight decline; then big advance starts. 10-12, a sudden unexpected event may bring about a quick decline in some rails and steels, but they will rally sharply from any depression. Some stocks will be top around 14-15; but rails, steels, and equipments will continue the excited advance to around 23-25, when final top is indicated. Distribution will then start. Sell out and go short. 21-30: danger of break in oil and paper stocks.

SEPTEMBER: Financial conditions in London and Paris will be very unsettled and help to depress our markets. Strikes and labor troubles will be in evidence everywhere. The political outlook will be very disturbing. The worst decline of the year is signified. Do not be fooled into buying stocks as we are on the eve of a long depression. Rails may have slight advances but should be sold on all rallies. 1st to 3rd markets will be made to appear quite strong; 5-12 rapid decline; followed by slight recovery to 18th; 19-22 very depressing influence—stocks will decline rapidly, followed by slight rally to 27.

OCTOBER: Bad crop news, disturbing labor conditions, political uncertainties, and war or complications with foreign governments will cause declines. The cycle is very malefic from 7th to 31st and sales on rallies will prove more profitable than purchases. 1st to 5th, sharp decline; rally to 12th, decline to 18; slight rally to 21; then severe decline between 21 and 27.

NOVEMBER: While excited buying period will follow first few days after election, stocks should be sold on rallies. 5th to 8th strong tendency; slight rally 16-17—sell; panicky decline 20-23; followed by slight rise to 27; month closes under very depressing conditions. If stocks start to break after 11th, expect bad decline.

DECEMBER: Culmination of very malefic bearish cycle. Declines will be rapid and drastic. Frightened investors and speculators will liquidate

regardless of price. General business outlook will become very gloomy and uncertain. The depressing cycle which began around November 18 will extend to December 19, when stocks should reach at least temporary bottom. 1st to 10th a severe decline; followed by a slight rally to the 12th; bad news about 14-15 will start another drastic decline extending to the 19th; very unsettled period 20-22; slight rally to the 25th; decline 26-28; final days of the year show advancing tendency.

December 10, 1919.

W. D. GANN.

This is an exact copy of my forecast sent out December 10th, 1919.

Note how accurately the 1920 market was forecasted and how the panicky decline of November and December was exactly foretold.—Low prices were made on December 22, 1920, in a panicky decline with a three-million share day.—The Forecast called for temporary bottom around this time.

FORECAST OF THE STOCK MARKET FOR 1921

This year the markets will not have as wide fluctuations as we have witnessed during the past two years. Stocks will fluctuate in a narrow range, becoming dull and inactive after advances and holding for some time around the tops before starting a decline, also remaining dull and inactive around the bottoms after culmination of declines.

Railroad stocks will have much better advances and in many cases wider range of fluctuations than Industrials. The trend on Railroad stocks is much more bullish than on Industrials. On account of the time factor in this cycle at times indicating advances in Railroad stocks while Industrials are declining, it has been necessary for me to give you a separate forecast for the high and low days on Rails during the different months.

My forecast on general business conditions, enclosed, should be carefully read and taken into consideration with the calculations hereinafter given.

IMPORTANT POINTS OF THE YEAR

The low point for the general market will be reached between the 5th and 10th of February, although some stocks will make low around the 12th to 14th.

The Spring Bull campaign will start in February and will culminate between April 28th and May 3rd. You should certainly sell out long stocks on this advance, as the month of May indicates serious declines.

The markets will not be very active during June and July, having small advances and becoming dull and remaining in a narrow range.

August is a bearish month and quite a decline will take place. In fact, one bottom should be made in August. Then should follow an advance to the early days of September; decline to September 25th; then advance into the early part of October, with the low point around the 15th and 16th.

The general trend after the October break should be up until the end of the year, many stocks making highest prices during the month of December. In fact, quite a boom will take place near the end of the year.

DATES TO WATCH FOR CHANGE IN TREND

The following dates will show when there should be important changes in the trend of the market. If low prices are made on the date indicated, you may expect high prices at the next date, but if there is a reversal and prices are high on a low date, then expect them to be low on the next high date. To illustrate: January 9th indicates high—If prices are low instead of high, then expect January 17th to be high, and so on.

However, the dates given will not always mark extreme high and low prices, but some kind of a rally or decline may be expected around these dates.

January 9 high; 17 low; 23-24 high; 29-30 low.

February 7-8 high; 14-16 low; 23 high.

March 2 low; 10 high; 16-17 low; 23-24 high; 30-31 low.

April 8-9 high; 14-15 low; 21-22 high; 29-30 low.

May 6-8 high; 13-14 low; 21-22 high; 30-31 low.

June 5-6 high; 12-13 low; 19-20 high; 27-28 low.

July 4-5 high; 11-12 low; 19-20 high; 27-28 low.

August 3-4 high; 8-10 low; 17-18 high; 25-26 low.

September 2-3 high; 9-10 low; 16-17 high; 25-26 low.

October 1-2 high; 8-9 low; 16-17 high; 23-24 low; 30-31 high.

November 7-8 low; 14-15 high; 21-23 low; 28-29 high.

December 6-7 low; 14-15 high; 21-22 low; 29-30 high.

JANUARY: The general outlook is unfavorable. There will be poor earnings on railroads and strikes are threatened.

The month starts with an advancing market, high prices being made around the 3rd and 4th, where you should sell out and go short. Quite a severe decline around the 9th and 10th; rally around 11th and 12th; decline 19th and 20th; rally 21st and 22nd; decline 24th and 25th; then advance to end of the month.

FEBRUARY: This month indicates a very depressing influence for general business conditions. Reduction in steel prices, cuts in dividends, decline in Steel and Railroad stocks. The low prices for the year on U. S. Steel will be made this month.

February 1st to 3rd a slight advance; 4th to 10th a rapid decline, where bottom should be made, although Steel and Railroad stocks likely to make bottom around 12th or 14th. Rally on 15th and 16th; decline 19th and 20th; advance to end of the month.

Quite a sharp advance will take place in many stocks during the closing days. It will be the starting of the Spring Bull campaign. This is the time to buy stocks to hold for the April boom.

MARCH: Industrial stocks will have slow, steady advances, but in a narrow range. There will be depression in business. Bad weather will delay starting of crops. Unsettled financial conditions in foreign countries will cause depression here.

March 9th to 10th advance; decline 14th to 15th; rapid advance 22nd to 23rd; decline to 26th. Month closes strong with Railroads leading the advance.

APRIL: A much better outlook for both Rails and Industrials. There will be war or war talk, but the markets will advance even on unfavorable news.

Advance to April 4th; decline 8th and 9th; rally 16th to 20th; decline 21st to 23rd; strong advance to the 30th, where many stocks will make tops. Part of the Industrial stocks will reach high on April 16th; decline to the 19th; then advance to the end of the month.

Do not fail to sell out long stocks on this strong market.

MAY: This month falls in a very depressing cycle, threatening strikes, labor troubles, disputes with England, Mexico and Japan, if not actual warfare. The people will become very much dissatisfied and there is danger

of revolutionary outbreaks. The markets are likely to become somewhat panicky.

May 1st to 3rd high; severe decline 9th to 10th; rally to the 13th; decline 14th; rally to 18th-19th; severe decline 21st to 25th; followed by a rally to the end of the month.

JUNE: Bad crop news, general unrest and labor troubles will be in evidence. The markets will be slow and dull, moving in a narrow range.

Rails will be more active than Industrials. The high point of Industrials should be reached around June 17th and the low point around the 25th. Rails—advance to the 4th; decline around 9th and 10th; advance 16th-17th; decline 19th-20th; advance 23rd-24th; decline 26th-27th; then advance to the end of the month.

JULY: Railroad earnings will improve, but disturbing financial conditions in New York City will cause some declines.

July 1st to 5th—high; decline, making low for month around 15th-16th; rally to 18th-19th; decline to 23rd; advance to end of the month.

AUGUST: This month falls in a very depressing bearish cycle. There will be danger of strikes and unrest. Reduction in the price of steel and oil. Some rapid declines in Steel and Oil stocks near the end of the month.

Decline August 1st to 8th; advance 12th to 15th; decline 18th and 19th; rally 22nd to 23rd; decline 24th to 26th; followed by an advance to the end of the month.

SEPTEMBER: We will have trouble with Japan. Fires and rioting in New York City will cause a decline in Industrials. Railroad earnings will show improvement, and an advance in Railroad stocks will start.

The month starts in strong—High 5th to 6th; severe decline 7th to 10th; Railroad stocks probably not making low until 13th-14th. Then advance 21st to 22nd; decline 26th-27th. Some unexpected bad news will cause railroads to break 28th to 30th.

OCTOBER: Declines in commodities and cost of living greatly reduced. Somewhat improved financial outlook in the early part of the month will help stocks, but a bad break occurs late in the month.

October 1st to 3rd—a slight advance; decline 5th to 7th; rally 10th to 11th; decline 14th to 15th; advance 19th to 21st, some Rails advancing to the 25th-26th. But many stocks will have a bad break between the 24th and 29th. The 27th or 28th will probably be the low day.

From this low price an advance will start which will continue to the end of the year. Buy stocks at this time to hold for the December boom.

NOVEMBER: This month starts a more hopeful outlook. New and beneficial laws will be passed. Good news of some kind will stimulate the markets and cause great activity. Railroad stocks will lead the advance.

November 1st to 12th—strong advancing market; 14th to 15th sharp decline; rally 16th to 18th; decline 19th to 21st; followed by a strong advance to the end of the month. Some Railroad stocks will probably make high around the 22nd to 23rd. U. S. Steel will be high around 27th-28th for a reaction. Great activity and rapid advances during closing days of the month.

DECEMBER: While there will be trouble with foreign countries and war or war rumors, yet stocks will be very active and show rapid advances. In many ways the influences show the strongest markets of the year. Steel and Oil stocks will have rapid advances. Commodities will also advance.

December 1st to 3rd—slight decline; rally 5th to 6th; decline 7th to 8th; advance 9th to 10th; slight decline 12th to 13th; advance to the 20th-21st; slight reaction 22nd-23rd; rapid advance to the end of the month. You can expect some sensational advances around the 17th to 21st and from the 25th to 31st. The year closes under a very strong bullish wave.

December 14th, 1920.

W. D. GANN.

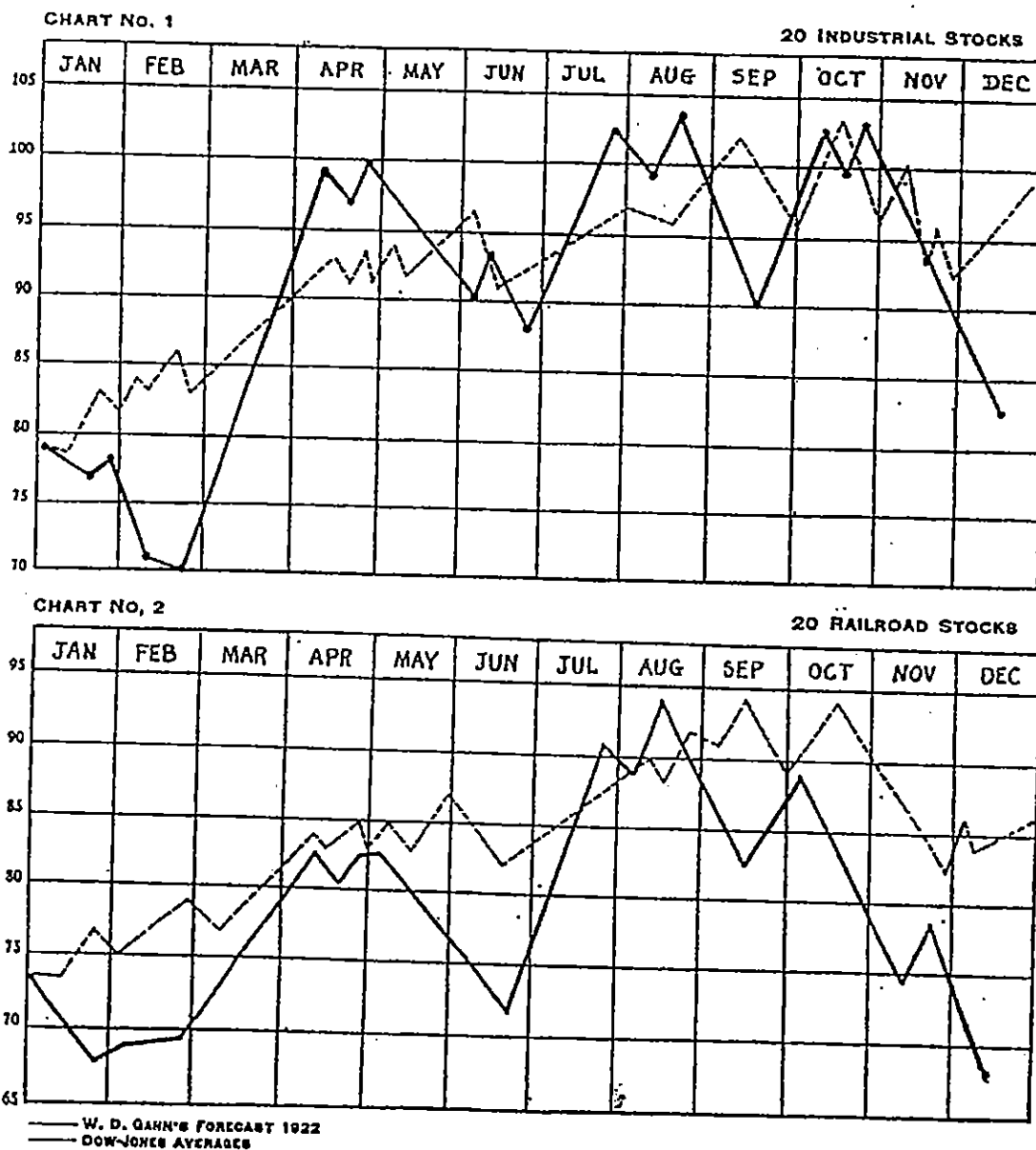
The above is an exact copy of my forecast sent out December 14, 1920.

Note under "Important points of the Year" the end of the Spring Bull market was forecasted for April 28 to May 3.—The exact high point on the Dow-Jones' Averages was made on May 3, from which followed a severe decline, as predicted.

Also note that bottom was predicted for the month of August, and that a decline in Steels and Oils was foretold for that month.—Mexican Pete sold at $84\frac{1}{2}$ and Crucible at 49, the extreme low prices, on August 25, 1921.

The Forecast called for an advance from August and the highest prices of the year to be made in December, all of which was remarkably fulfilled.

Forecast of the Stock Market for 1922



This year indicates a Bull market in stocks, especially the first six to eight months. The latter part of the year is more bearish and some severe declines will take place. The year 1922 promises greater prosperity for this country, improved business conditions, and a much better outlook than was experienced in the latter part of 1920 and in 1921. We will have some unfavorable periods at times and our Government will be confronted with some serious problems. There is danger of war as treachery is shown on the part of some foreign power who is supposed to be our friend. But the major influences favor success and general prosperity.

MAIN TREND AND IMPORTANT SWINGS

INDUSTRIAL STOCKS: Chart No. 1, which is based on the 20 Industrial Stocks published by the Wall Street Journal, shows the important tops and bottoms as they should occur during the year. Note that around January 2nd to 3rd is the high point, followed by a decline to around the 19th, then a rally to January 26th-28th; followed by a decline to February 10th, making a second bottom around February 23rd. It is possible that this bottom may not be quite as low as the bottom made in the early part of the month.

Accumulation for the Spring Bull campaign will take place during the latter part of January and February. Then will follow a big advance, which you will note from Chart No. 1 culminates around April 10th, where first top is made. The second top occurs around April 18th to 26th. Distribution will take place around these levels and stocks will hold for some time before starting the big break. It requires time at both bottoms and tops to accumulate and distribute stocks.

After the April tops the first low point on the down trend occurs May 31st to June 5th. Rally June 10th to 11th; followed by a decline to around June 19th to 23rd, where low point should be made and stocks accumulated for the next advance.

The first top of the Summer Bull campaign occurs around July 26th and the second top August 14th to 19th. These tops should be higher than the high prices made in April. Distribution will again take place and stocks will have a sharp decline, making bottom around September 11th to 15th, where they will again be accumulated for the third and last rise of the year, which culminates around October 8th to 15th and 18th to 24th. This top should be about as high as the July and August tops. Stocks may be held for some time to facilitate distribution, as this should mark the last top before a long Bear campaign. From this time the big trend continues down until December 11th to 15th, where bottom will be made and a rally follow to the end of December.

The range between the low point at the early part of the year and the final highs in August and October should be from 9 to 12 points on averages, which means that some of the active high-priced Industrial Stocks will fluctuate 20 to 30 points between highs and lows during the year.

RAILROAD STOCKS: The Rails have been gradually seeking lower levels every year since the boom in 1909. The lowest prices since 1897 were made in June, 1921. Since that time Rails have shown steady accumulation. They are way behind the Industrials and the curve shows a strong possibility of quite a Bull campaign in 1922 with many of the Rails making considerably higher prices.

Note the main swings of Chart No. 2 indicate high prices around January 2nd to 4th; low prices around January 23rd to 24th; a second bottom around February 5th and a third slightly higher bottom around February 20th to 23rd, from which the Spring Bull campaign starts.

First top April 10th to 12th; second top April 26th to May 2nd, followed by a decline, making bottom June 18th to 24th, from which the second section of the Bull campaign starts, making first top July 26th and second top August 14th.

Then a sharp decline, making bottom around September 15th, followed by a rally, making top October 3rd to 5th. It is possible, if the Rails are leading and are very strong, that the October top may be nearly as high as the August top.

After October the big trend is down. Stocks will be a sale on every rally. The first bottom November 10th to 14th; followed by a quick rally November 21st to 24th; then a severe decline, making bottom around December 10th to 15th, followed by a rally to the end of the year.

The range on the Dow-Jones' averages of 20 Rails, which is shown on Chart No. 2, should be from 10 to 12 points. There is a possibility of them making an even greater range. This would indicate some stocks making a range of 10 to 35 points between the high and low of the year.

JANUARY: The general business outlook is much more hopeful, although there will be some depressing news, which will cause sharp, sudden declines, the Rails probably breaking more than Industrials. Great activity in Steels, Rails, Electric, and Motor stocks indicated.

INDUSTRIAL STOCKS indicate extreme high point of the month around January 2nd-3rd; extreme low point 14th-19th. Minor Swings—4th-5th reaction; 7th-8th rally; 9th-10th decline; 12th-13th rally; 18th-19th first low of reaction; 24th-25th rally; 31st second low of reaction.

RAILROAD STOCKS indicate extreme high January 2nd-5th; extreme low 23rd to 25th. Minor Swings—9th-10th reaction; 12th-13th rally; 13th-14th reaction; 16th-17th top of rally; 18th-19th low; 20th-21st rally to near top made early part of month; 23rd-25th low point; 26th-28th rally.

Dates to Watch for Change in Trend: The swings in the Stock market are based upon a Time factor and my calculations are based upon the commodity curve, money curve and curve of stocks. Sometimes one of these curves will cause a change of trend and the dates given below each month show when there is a possibility of stocks varying from my predicted curve. The dates marked X are the most important points to watch. As a rule the market will have some kind of a rally or a decline around these dates. These changes in time apply to both rails and industrials. January 6th-7th low; 13th-14th high X; 19th-20th low; 26th-27th high X.

FEBRUARY: Slow accumulation will take place in stocks. Foreign affairs will cause some concern. There will be some war talk which will be unsettling for a short period. Railroad earnings will improve. Oils and shipping shares will be active and have quite a strong rally around the 12th-13th.

INDUSTRIAL STOCKS indicate extreme low point around the 5th, 9th and 10th; extreme high of the month 26th-27th. Minor Swings—4th-5th low; 7th-8th high; 9th-10th low; 13th-14th high; 18th-21st last low before Spring rise starts; rally to 26th-27th.

RAILROAD STOCKS indicate extreme high 10th-15th; extreme low 5th and 20th to 23rd. Minor Swings—10th-11th high; 12th-13th low; 15th-16th high; 23rd-26th nearly as low as the 5th; rally to end of month,—Spring rise starts.

Dates to Watch for Change in Trend: February 4th-5th low; 12th-13th high X; 18th-19th low; 26th-27th high X.

MARCH: Some unfavorable weather will delay crops in parts of the country. Foreign affairs will improve and become more peaceful. General business affairs will show steady improvement. Great activity in Rails, Steels, and Motor Stocks; some quick declines followed by quick rallies.

INDUSTRIAL STOCKS indicate extreme low around 1st and 11th-12th; extreme high point 30th-31st. Minor Swings—2nd-4th high; 5th-6th reaction; 26th-27th high; 29th-30th low.

RAILROAD STOCKS indicate extreme low around 1st and 10th-11th; extreme high 27th-28th. Minor Swings—4th-6th high; and if stocks have had a good advance, they may get a sharp reaction; 10th-11th low; 23rd-24th high; 25th-26th low; 27th-28th high; 29th low.

Dates to Watch for Change in Trend—6th-7th low; 12th-13th high X; 19th-21st low,—important change in trend due,—should be up; 27th-28th high X.

APRIL: This month indicates great activity and improved business conditions; plenty of work and the unemployed satisfied. Some war talk and disputes with a foreign country, probably Japan. The stock market will be active and the public will come in and buy stocks. All kinds of good news will be brought out to create a big buying wave. Distribution will start around the 9th to 10th, and if the second top occurs with a strong market around April 18th to 26th, you should sell out all long stocks and put out short lines for the next decline.

INDUSTRIAL STOCKS indicate extreme high around April 10th and 18th to 24th; extreme low 13th-14th. Minor Swings—1st high; 3rd-4th react; 10th, first top of Spring rise; 13th-14th react; 15th-16th rally; 18th-19th low; 25th-26th last top of Spring rise.

RAILROAD STOCKS indicate extreme low April 1st-2nd; extreme high 9th-10th and 26th. Minor Swings—9th-10th high; 11th-12th low; 15th second top; 19th-22nd low; 26th-29th last top of rally.

Dates to Watch for Change in Trend—April 4th-5th low; 11th-12th high X; 18th-19th low; 26th-27th high X.

MAY: General business good. More peaceful state of affairs. Railroads will show increased earnings. Crops will make good progress. Much good news will be brought out, but remember the stock market has discounted it. Expect some sharp declines in stocks around the 7th, 19th and 24th.

INDUSTRIAL STOCKS indicate extreme high May 1st-2nd; extreme low 18th-19th. Minor Swings—5th-6th low; 12th-13th high; 18th-19th low; 20th-21st high; 22nd-23rd low; 26th-27th high.

RAILROAD STOCKS indicate extreme high May 1st-2nd; extreme low 19th-20th. Minor Swings—May 5th-6th low; 14th-15th high; 19th-21st low; 25th-26th high; 31st low.

Dates to Watch for Change in Trend: May 3rd-4th low; 11th-12th high X; 18th-19th low; 26th-27th high X.

JUNE: Some reports of dull business in parts of the country and good business in others. There is danger of a sharp decline in Railroad stocks. Bad crop news will cause an advance in Cotton and Grain. Stocks will become dull and narrow at bottom of declines, as accumulation will be taking place. Some great progress on peaceful relations with foreign countries will be made and something will happen to boom copper stocks. Money will be easy and the Summer advance in stocks will start.

INDUSTRIAL STOCKS indicate extreme high June 10th-11th; extreme low 5th-7th and 14th-19th. Minor Swings—June 3rd-4th low; 9th-10th high; 19th-23rd low; 29th high.

RAILROAD STOCKS indicate extreme high June 25th-26th; extreme low 5th-7th and 17th-19th. Minor Swings—June 4th-5th low; 7th-8th high; 14th-19th low; 25th-26th high; 29th-30th low.

Dates to Watch for Change in Trend—June 3rd-4th low; 9th-10th high X; 17th-19th low; 24th-25th high X; 29th low.

JULY: Bad weather in the Eastern states will retard progress of crops and cause an advance in the price of Cotton. Some trouble on account of foreign affairs. Threatened strikes in connection with railroads and shipping. The stock market will be quite active and advance. There is danger of a sharp reaction around the 10th to 14th, but it will be followed by a quick rally. Great activity in oils and shipping stocks. Railroads will show increased earnings and their shares should lead the Summer Bull campaign. Copper stocks will also advance. Something will happen to cause great speculative activity. There will be some war talk.

INDUSTRIAL STOCKS indicate extreme high July 26th-28th; extreme low 10th-12th. Minor Swings—2nd-3rd high; 5th-6th reaction; 9th-10th high; 12th-13th low before big rise starts; 24th-26th high; 29th-31st low.

RAILROAD STOCKS indicate extreme low July 3rd-5th; extreme high 26th. Minor Swings—July 2nd-3rd high; 11th-12th low; 26th top; 30th-31st low.

Dates to Watch for Change in Trend—July 1st-3rd low; 9th-10th high X; 16th-19th low; 24th-26th high X; 30th-31st low.

AUGUST: Business improves; good crop news. Railroad stocks very active and advancing. Steels, Oils, Shipping and Agricultural stocks will also rise. Sugars and late movers will advance, but remember that distribution will take place and that stocks should be sold on rallies and shorts put out for the September break. If the top of the rally comes around the 6th-7th, there may be a sharp reaction around 9th-10th, followed by a quick rally 14th-15th. Stocks may hold and make top around the 19th.

INDUSTRIAL STOCKS indicate extreme high 14th-19th; extreme low 1st-3rd and 23rd-25th. Minor Swings—3rd-4th low; 14th-15th top; 18th-19th low; 21st-22nd high; 24th-25th low; 27th-28th high.

RAILROAD STOCKS indicate extreme high August 14th and 19th; extreme low 29th-30th. Minor Swings—7th high; 9th-10th low; 14th-15th high; 24th-25th low; 27th high.

Dates to Watch for Change in Trend—August 7th high X; 12th-13th low; 21st-22nd high X; 29th-30th low.

SEPTEMBER: Good business, but stocks will have discounted most of it. Coppers, Sugars, and late movers will be brought forward to facilitate distribution in other stocks. War talk, complicated foreign affairs, or danger of strikes connected with railroads or shipping will cause a severe decline in stocks. A bad break occurs between the 10th and 16th. Oils, Rails, and active leaders will decline rapidly.

INDUSTRIAL STOCKS indicate extreme high 6th-9th; extreme low 11th-15th. Minor Swings—1st-3rd low; 5th-6th high; 11th-15th low; 17th-18th rally; 19th-20th react; 21st-22nd high; 24th-25th low; 26th-27th high; 29th-30th low.

RAILROAD STOCKS indicate extreme high 6th-7th; extreme low 13th-15th. Minor Swings—6th-9th high, some stocks holding up and probably making high around the 9th,—be careful about buying as a big break is coming; 11th-13th low; 18th-21st last rally before another big break; 27th-29th low.

Dates to Watch for Change in Trend—5th-6th high X; 13th-14th low; 21st-23rd high X;—from this change in trend stocks will sell very much lower before December; 27th-28 low.

OCTOBER: Good reports of railroad earnings will continue and stocks will be advanced to help distribution. General business quite good. Some complications with foreign countries. Labor will be satisfied and peaceful. Danger of some trouble with Mexico. Watch stocks around the 5th-6th, as

this may be the last high before a big decline. October 18th-21st some stocks will make top in a very active market; 23rd-27th sharp decline, with rails breaking badly.

INDUSTRIAL STOCKS indicate extreme high 3rd-5th and 15th-18th; extreme low 25th-27th. Minor Swings—3rd-5th high; 12th-13th low; 18th-20th last rally before big break; 27th-28 sharp decline.

RAILROAD STOCKS indicate extreme high 3rd-5th; extreme low 13th-14th and 26th-27th. Minor Swings—3rd-5th last high before big decline; 13th-14th low; 17th-18th rally; 26th-27th sharp decline.

Dates to Watch for Change in Trend—October 5th-6th high X; 13th-14th low; 20th-21st high X; 26th-27th low.

NOVEMBER: Some very disturbing and depressing conditions; falling off in business; danger of strikes and trouble with foreign countries. Oils and Steels will have some spurts of activity and advances, but they should be sold on every rally. November 4th-5th will be high, from which a big decline will take place; 10th-14th panicky break; 19th-26th another severe decline, with bad breaks in oils and active leaders.

INDUSTRIAL STOCKS indicate extreme high 5th-6th; extreme lows 12th-13th and 25th-26th. Minor Swings—5th-6th high; 12th-13th low; 20th-21st high; 25th-26th low.

RAILROAD STOCKS indicate extreme high 4th-5th; extreme lows 13th-14th and 24th-25th. Minor Swings—5th-6th high; 13th-14th low; 19th-20th rally; 26th-27th low.

Dates to Watch for Change in Trend—November 4th-5th high X; 12th-13th low; 19th-20th high X; 26th-27th low.

DECEMBER: Very unsettled conditions prevail. War talk, if not actual war. Danger of strikes. Bad business conditions will cause panicky declines in stocks. The public who bought stocks at the top of the boom will now be forced to sell regardless of price, causing a big decline and many stocks making lowest prices of the year. Industrial stocks will break before the Rails. The Railroads and some Oils may hold up and rally to around December 10th-11th, but a severe decline takes place around the 10th to 15th, where bottom will be reached; 23rd-26th indicates a sharp decline in Rails, Motors, and Electric stocks, followed by a strong rally to the end of the month.

INDUSTRIAL STOCKS indicate extreme low 10th-15th; extreme high 31st. Minor Swings—1st-3rd high; 10th-13th low; 15th-16th rally; 17th-18th low; rally to December 31st.

RAILROAD STOCKS indicate extreme low 10th-15th; extreme highs 21st and 30th-31st. Minor Swings—1st-3rd high; 10th-14th low; 19th-21st high; 24th-26th low; 31st high of rally.

Dates to Watch for Change in Trend—December 3rd-5th high X; 12th-13th low; 18th-19th high X; 25th-26th low.

November 30th, 1921.

W. D. GANN.

This is an exact copy of my Forecast on Stocks for 1922 as sent out on November 30th, 1921.

A chart or projected curve was sent out with the 1922 Stock Forecast, as reproduced here. The heavy line shows

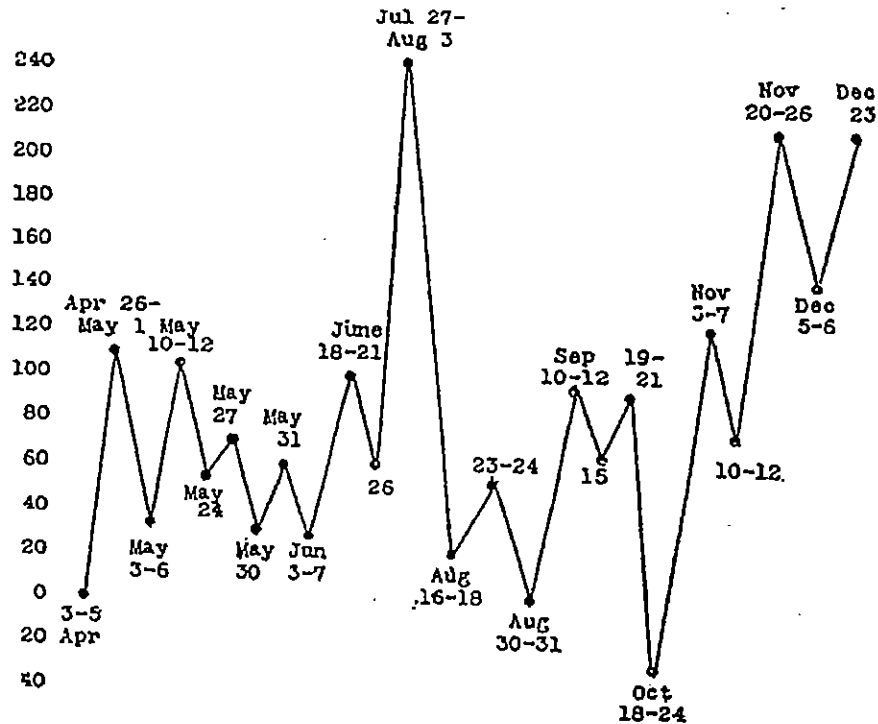
my forecasted trend and the dotted line the Dow-Jones' Averages. "You can see how accurately it worked out.

The Forecast called for three tops on Industrial stocks. It indicated a first top for April, a second top for August, a third and final top for the Bull market between October 8 and 15.—The extreme high prices were made on October 14, from which followed a big decline as forecasted.—Under the month of November the Forecast read: "10th-14th panicky break," which was fulfilled with remarkable accuracy.

The Railroad stocks indicated final top for the year on August 14.—The high was made on August 21 and the same level reached on September 11 and October 16, from which a big decline took place, as outlined in the Forecast.

In September, 1922, I issued a supplement telling subscribers that bottom would be made September 30, instead of September 15. Again, the latter part of November, I issued another supplement advising that stocks were bottom and that they would advance in December, and not decline in the early part of the month. With these two corrections, the Forecast was 90 per cent correct. The important and valuable feature about the Forecast was the way it called exact date—October 14—for final high, the Averages reaching the exact point forecasted. No other man that I know of has ever made such accurate long-range forecasts.

FORECAST OF THE COTTON MARKET FOR 1922



The indications this year are for a range of prices considerably above the average of normal years. An advance takes place in the Spring; then a reaction of about 60 to 100 points until the early part of June, when the market becomes very active and advances, making high of the year on July 28th to August 2nd.

News of crop damage during July will cause a big advance. There is a probability of a drought in Texas and too much rain in the southern and eastern belts. The reports of damage will be very much exaggerated, as usual, and will force prices to a level which can not be maintained.

Better crop news and increased estimates of a larger yield will be in evidence the latter part of August, causing a severe decline. The low of the Fall swing occurs around October 18th to 23th. After this date damage by frost and increased demand for spot cotton will cause another rapid rise which will culminate November 10th to 15th. Then follows a reaction to around December 3rd to 5th; then a rally to December 22nd to 24th.

The enclosed chart shows the major swings of the market. Note from the low of April 5th the advance runs up to April 26th to May 1st; then a reaction to around May 5th to 6th, followed by a rally which will carry prices to the level of May 1st and probably higher by May 10th to 12th.

After this date the fluctuations are narrow until June 3rd to 7th, when the Government crop report will start an advance. The real Bull move will not start until near the end of June, when bad crop news begins to come in. The advance which culminates the latter part of July and early

part of August will be very rapid, and the decline which follows will also be very rapid..

After the break starts, rallies of 30 to 40 points are about all that is indicated until the bottom is made around August 30th to 31st. Prices should then be down to the level of the early part of April and possibly lower.

Then follows a sharp rally of about 100 points, making top around September 10th to 13th. After this date the long swing is down to October 18th to 25th, when prices should be 50 to 60 points below the level of the early part of April. The November rally, which culminates around the 10th to 15th, should carry prices to within 50 or 60 points of the high prices made at the top in July and August.

MAY: During this month cold, rainy weather will delay the progress of the growing crop, but the demand for spot cotton will be light and the market will not show great activity until the latter part of the month.

May 26th to 30th—Some bad news should cause increased activity and a quick rally.

JUNE: Reports of dry weather in the western and extreme southern belt, and too much rain in the eastern belt, will start an advance in the October option. June 11th to 15th and 26th to 30th—Around these dates great activity is indicated, and if an advance starts, it will continue for some time.

JULY: Reports of crop damage will be more numerous this month than any other time. A wild buying wave by the public and increased demand for spots will cause wide fluctuations and a big advance. July 26th—Around this date an exciting market and wild fluctuations are indicated. It may mark the first top of the Bull swing.

AUGUST: The early part of the month is bullish, but the big decline will take place in the latter part. August 19th—A very important date to watch for a change in trend. If a rally starts at this time, it may be quite sharp, although it will not hold.

SEPTEMBER: The early part of the month is bullish. There will be bad crop news and a great demand for spots, but if there is a sharp advance around the 10th to 12th, you can expect a decline the balance of the month. September 26th to 30th—A very active market when prices should decline.

OCTOBER: 5th to 6th—Very important; watch for change in trend. There may be some rally at this time, but it is not likely to hold. 16th to 22nd—Indicates a sharp decline, and if the break is quite severe, it is likely to mark last bottom before big advance starts. 27th to 30th—Very active; some important news will come out to affect prices. There is possibility of a sharp decline, but it will not last, and prices will recover rapidly.

NOVEMBER: Reports of a shorter crop than expected will cause an advance. A better foreign demand for spots will also help the rise in prices. November 5th to 6th and 17th to 20th—Are very important dates that will mark changes in trend and indicate great activity.

DECEMBER: A decline takes place in the early part of the month. Bottom should be made on 3rd to 5th, but there is a possibility of a break around the 10th to 13th. The Government estimate on the total crop will be larger than expected, but it probably will have been discounted.. The spot demand will be good, and a sharp advance will take place the latter part of the month.

IMPORTANT DATES TO WATCH FOR CHANGE IN TREND

The following dates are very important and you should watch them for changes in the major or minor trend: April 26th to 27th; May 26th; June

2nd to 4th and 24th to 26th; July 3rd, 9th to 10th, and 24th to 25th; August 22nd to 23rd; September 4th to 7th; 21st and 22nd; October 5th and 6th; 20th to 21st; November 3rd to 4th; 19th to 22nd; December 14th; 18th to 19th.

BEST OPTIONS TO TRADE IN

During the Spring and Summer the October and July options should follow closely the trend outlined on the chart. After September, the December and January options should follow the Forecast the best. During November and December, if the March option is active, it will probably be the best one to trade in.

April 25th, 1922.

W. D. GANN.

This is an exact reproduction of the Cotton Forecast sent out April 25, 1922.

Note that the Forecast called for low prices April 3-5.—The last reaction and low price was made on April 2, after which the trend continued up, subject to reactions, until August 1.

You will see that the top for the summer bull campaign was predicted for July 27 to August 3.—The exact high price was made on August 1, from which a big decline followed, as forecasted.

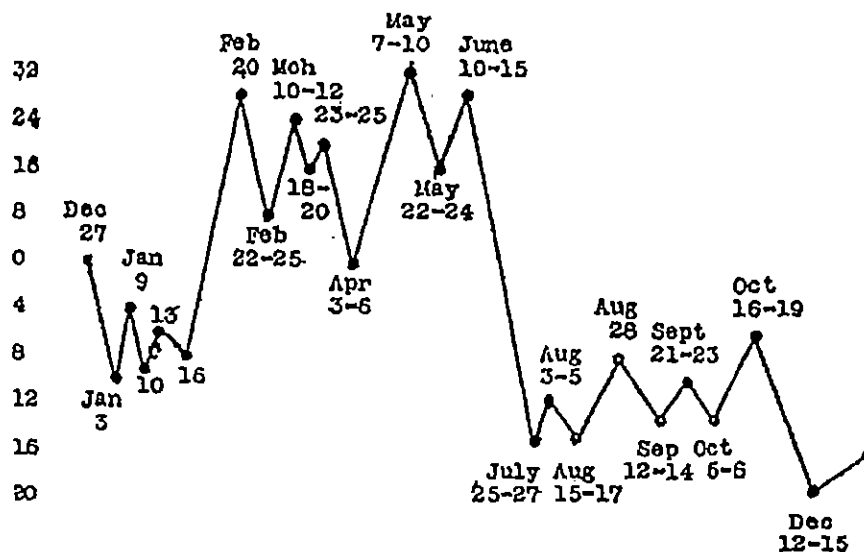
A correction was made in the October Supplement, which advised that the trend had turned up and that prices would not come down to the level indicated for October 18-24.

The Supplement for November called for the top and change in trend for about November 8.—The exact high price was made on November 9, when the trend turned down.

Cotton made exact low price on December 6 and rallied to December 23, as predicted in the Forecast.

FORECAST ON GRAIN FOR 1922.

Projected Curve and Trend which Wheat should follow:-



This forecast is made up principally for Wheat, although Corn should follow it very closely, making tops and bottoms about the same dates as Wheat does, but, of course, working in a narrower range.

The chart attached gives you the Major and Minor moves as they will occur during the year. The point on the Chart marked "O" is the price at the end of December, or the high price of December 27th. The figures above and below "O" represent cents per bushel, as you will see.

Note that the decline from December 27th high to January 3rd low was about 10 cents per bushel, as indicated on the chart. Note that the low price after February 20th rally occurs on April 3rd to 6th, when prices should be down about 12 cents per bushel from the high price around February 20th.

From the April bottom follows the strongest advance of the year, when prices should run up about 16 cents per bushel, where top should be made around May 7th to 10th.

Highest prices of the year are indicated for the month of May; then the big swing down, making low around July 25th to 27th, which should be about 20 cents per bushel down from the high price reached in May. Notice that a small rally takes place up to around August 3rd to 5th; then follows a decline, making a second bottom about as low as the bottom made on July 25th. Second bottom should be made around August 15th to 17th.

After that time the trend should be up until October 16th to 19th, and the rise from July and August bottoms should be about 8 or 9 cents per bushel on Wheat.

Then follows a long down trend to December 12th to 15th, when prices should reach the lowest of the year. In my judgment they will be below 90 cents per bushel.

The decline from October 16th to December 15th should be about 12 to 13 cents per bushel.

The extreme range on Wheat, between the high of the year and the low of the year, should be between 30 and 35 cents per bushel. However, you must not depend too much on the number of cents per bushel up or down in the major or minor swings. The main thing to watch is the dates for tops or bottoms, and if the market comes out pretty close to these, you should buy or sell regardless of the price.

The May option of Wheat should follow the predicted trend closest up until about May 10th. After that time use the July option until the early part of July. For the balance of the year the September and December options.

IMPORTANT SWINGS OF THE YEAR

January 3rd low; January 16th next low point before big up swing starts. February 20th top of rally; followed by a reaction to around February 22nd to 25th.

Then a rally to March 10th-12th, which should carry prices to near top made in February.

Long swing down, making low around April 3rd to 6th, when prices should be much lower than in January.

REMEMBER THIS POINT: If May Wheat sells at 1.08 after January 25th, it will indicate much lower prices and probably a decline to around 95 to 92 cents per bushel.

From April 6th a sharp rally up to May 7th to 10th.

Then the long swing down, making bottom July 25th to 27th.

From the July bottom the trend will work up to around October 16th to 19th.

Then follows a long swing down to December 12th to 15th, November being a very bearish month.

DATES TO WATCH FOR CHANGE IN TREND

The most important dates to watch for major changes in trend are: March 20th to 24th; June 21st to 23rd; September 20th to 24th.

The following dates will mark moves of minor importance. You can watch them for reversals. If prices should be low on a date that I have indicated as high, then the next is likely to come out low instead of high. Minor fluctuations and some kind of a small rally or decline will occur around these dates:

January 3rd low; 9th high; 16th low; 28th top of rally for small reaction.

February 5th low of minor reaction; 20th-21st top of major swing; 24th-25th low; 27th top of small rally.

March 7th low of reaction; 12th-13th top of rally; 19th-20th low of reaction; 27th-28th top of rally.

April 4th-5th low of major move; 11th-12th high for reaction; 18th-19th low of reaction; 27th high for small reaction.

May 3rd-4th small reaction; 10th-11th high of major move; 18th-19th low of reaction; 27th high of rally.

June 2nd-3rd reaction; 9th-10th high; 17th low; 24th-25th high.

July 2nd-3rd low; 8th-9th high of rally; 16th-17th low; 20th-21st small rally; 24th-25th low; 27th-28th small rally; 30th-31st low.

August 7th-8th small rally; 15th-16th low; 22nd-23rd high; 28th-29th low for rally.

September 5th-6th high; 13th-14th low; 20th-21st high; 27th-28th low of reaction.

October 5th-6th rally; 13th-14th minor reaction; 18th-19th top of major swing; 26th-27th low for rally.

November 5th-6th top of rally; 11th-12th low; 18th-19th rally; 25th-26th low of reaction.

December 3rd-4th top of rally; 11th-15th low of major swing; 17th-18th rally; 25th-26th low; 30th-31st high of rally.

A supplement will be mailed you each month, giving any changes that are indicated, if the market is not following closely the trend as outlined.

January 31st, 1922.

W. D. GANN.

The above is an exact copy of my Forecast on Grain for 1922 sent out on January 31st, 1922.

The Forecast called for extreme low to be made January 3.—May Wheat made the low— $108\frac{1}{2}$ —on January 3. Minor reactions occurred on January 10 and 16 as forecasted.

Then followed a big advance, May Wheat reaching $147\frac{1}{2}$ on February 21. The extreme high of the year— $149\frac{7}{8}$ —was made on February 27.—The Forecast was only seven days off from the exact high point.

The Forecast called for 42 points' advance from January 3 to February 20, and the actual advance was $42\frac{3}{8}$ points from January 3 to February 27.

The decline occurred during June and July as forecasted, and the low price— $104\frac{1}{2}$ —was made on September 14.—The Forecast indicated September 12-14 for bottom.

A top was indicated for October 16-19, and the high prices occurred on October 18, from which a 4-cent reaction took place.

A Supplement was issued at the end of October advising that if May Wheat rallied to 116, the trend would reverse and no further big decline could be expected.—The trend did reverse and the market advanced up to the end of December.

These Forecasts are proof conclusive of the great value of long-range predictions, which tell you when extreme high or low prices on stocks, cotton or grain will be reached and enable you to buy or sell before the important moves start.

The big money in the markets is made on the long swings and not by day to day trading. The major moves of the stock and commodity markets recur as regular as the sap rises in the trees in the springtime and the leaves fall in the autumn.

Over twenty years' study and investigation places me in a position to make Forecasts which are dependable and enable you to make profits.

FOR THE YEAR 1922

[The Sun of New York City, Dec. 28, 1921]
[Annotated]

Open Season for Prophets Is On
What 1922 has in Store for Us May Be Forecast Until Jan. 1.

From now until January 1 is the open season for prophets. Nobody can contradict them. Shooting or trapping them is strictly prohibited, spring guns are disallowed and no pound nets are permitted. Let the prophets step forward without fear then and be assured of an eager hearing while they enlighten us as to what sort of things we may expect to happen in A.D. 1922.

Quakes, eclipses, inundations, famines, pestilences — shake out your bags of horrors, venerable seers, if that will relieve your minds. Or, if the stars or the tea leaves frame themselves in more propitious figures, tell us how tranquil and prosperous we may expect to be for the next twelve months.

One prophet of reputation has already delivered himself, and his conclusions are encouraging. This is William D. Gann, the Wall street seer, whose forecasts of the stock market, crops and human affairs at large are credited by himself to a profound study of laws of vibration and number. [1]

Normalcy to Come, Says Seer.

"There will be a decided improvement in 1922," said Mr. Gann. "General business conditions will be much better, and there will be a revival of industry, entailing more employment of labor. We will be blessed with good crops in the summer and autumn.

"Business will begin to revive and get active by the latter part of February. There will be a constructive program inaugurated at Washington. President Harding will work hard to restore normalcy. The readjustment period should pass in February.

"We are going to have trouble with Mexico in the summer of 1922, but it will be satisfactorily settled. There will be cheap money. Capital will be freely invested in business and not hoarded. Moreover, the year 1922 will be made notable by very important scientific discoveries, especially of a medical nature. These discoveries will result in men knowing better how to live and take care of themselves.

"There is no sign of war on the horizon. On the contrary, the hidden forces are working for peace and the brotherhood of man. and men in high places are being guided to that end."

Asked to explain his method of figuring out future events, Mr. Gann refers it all to mathematical law, employed in connection with a close analysis of the past. [2] The idea is that history of the stock market, for instance, or of the cotton market, or the weather, or influenza, or the price of pig iron fluctuates in definite cycles, and if you

work out the cyclic periods, and give some intelligent study to operating causes, you can soon win promotion into the prophet class. [3]

One of his stunts is to project a curve for the stock market, showing when it should be prosperous and when depressed. [4] In that operation he uses a system of his own, simplified from that propounded by Henry Ludwell Moore, professor of political economy at Columbia University, in his work, "Economic Cycles, Their Law and Cause." [5]

Co-Incidence of Curves.

Moore's work is largely an outgrowth of that of [Arthur] Schuster, an English mathematician and political economist, and both authorities owe a fundamental debt to Joseph Fourier. [6] The whole subject is highly technical, involving mathematical equations that look as if they had been designed to turn your hair gray.

Prof. Moore demonstrated with his curves that the fluctuations of business from year to year follow the fluctuations of agricultural productiveness, hence of the annual rainfall. [7] Summarizing the results of the research embodied in his "Economic Cycles" he wrote:

"The weather conditions represented by the rainfall in the central part of the United States, and probably in other continental areas, pass through cycles of approximately thirty-three years and eight years in duration, causing like cycles in the yield per acre of the crops; these cycles of crops constitute the natural, material current which drags upon its surface the lagging, rhythmically changing values and prices with which the economist is more immediately concerned."

Projecting curves for the past is not sufficiently exciting for Mr. Gann. He puts on his thinking cap and projects 'em for the future. Among the correct forecasts with which he is credited wars were the coming of the great war, the election of President Wilson, the election of President Harding and the end of the war, with the actual date of the armistice, issued nine months before the event.

+ + +

[1] In the OROLO advertisement in The New York Herald, Sunday, April 18, 1909, W. D. Gann wrote: "I have investigated all 'Systems,' found most of them worthless to the average trader and none of them perfect. I investigated astrology and kindred sciences to learn the law of the movements in the markets. In them all there was something lacking, and not until I struck upon the law of vibration and attraction as applied in Wireless Telegraphy did I find the key to Wall Street. I find the different stocks grouped into families, each having its own distinct vibration, which acts sympathetically upon others of the group and causes them to move in unison. I now have perfected my theory until I can forecast every move in Stocks, Cotton and Wheat." Eight months later, in the Ticker interview, Mr. Gann stated: "After exhaustive researches and investigations of the known sciences, I discovered that the law of vibration enabled me to accurately determine the exact points at which

stocks or commodities should rise and fall within a given time. . . . The power to determine the trend of the market is due to my knowledge of the characteristics of each individual stock and a certain grouping of different stocks under their proper rates of vibration. . . . After years of patient study I have proven to my entire satisfaction, as well as demonstrated to others, that vibration explains every possible phase and condition of the market." This ad and others, as well as the Ticker interview, are contained in the Gann Study Group ebook "W. D. Gann & OROLO".

In his interview with The New York Herald Magazine, Jan. 5, 1919, p. 15, Mr. Gann stated, "Some weeks ago I read an interesting article in the Herald on the failure of astrologers in their predictions regarding the war. Now there is a great deal in the vibrations of the planets, but to make accurate predictions the great law behind it all, which the ancients understood, but which they purposely refrained from putting in their books, as they wanted to keep the secret for themselves, must enter into the calculation. That is why astrology fails for nothing can be accurate that is not based on mathematics — and so few astrologers are mathematicians."

[2] Mr. Gann confirms this point in his romance entitled *The Tunnel Thru the Air*: "The limit of future predictions based on exact mathematical law is only restricted by lack of knowledge of correct data on past history to work from." (Chapter 7, p. 77). Accordingly we find the hero of the novel, Robert Gordon, was giving strong attention in his school studies to history and mathematics (pp. 13, 15). On mathematics, Gann also states:

"Everything in existence is based on exact proportion and perfect relation. . . . Each TOP or BOTTOM in Wheat, or other Commodities, comes out in accordance with an exact mathematical proportion to some other TOP or BOTTOM." W. D. Gann, *How to Make Profits in Commodities*, pp. 34, 32.

"Every stock makes a top or bottom on some exact mathematical point in proportion to some previous high or low level." "Resistance Levels," p. 1.

"All markets are subject to unfailing mathematical law, and I have discovered how to apply this law successfully to Cotton, Wheat and Stocks. I am able to tell you exact points to which markets will move up or down. Ask yourself seriously can you do without advice that is absolutely accurate and reliable. There is no guess work in my method." OROLO advertisement, The New York Herald, Oct. 31, 1909.

"There is no top and bottom price which cannot be determined by mathematics. Every market movement is the result of a cause and when once you determine the cause, it is easy enough to know why the effect is as it is." "Natural Resistance Levels and Time Cycle Points," p. 10.

"'I figure things by mathematics,' Mr. Gann explained. 'There is nothing mysterious about any of my predictions. If I have the data I can use algebra and geometry and tell exactly by the theory of cycles when a certain thing is going to occur again.'" The Evening Telegram, New York, Monday, March 5, 1923.

"My calculations are based on the cycle theory and on mathematical sequences. History repeats itself. That is what I have always contended, — that in order to know and predict the future of anything you only have to look up what has happened in the past and get a correct base or starting point. . . . mathematical science, which is the only real science that the entire civilized world has agreed upon, furnishes unmistakable proof of history repeating itself and shows that the cycle theory, or harmonic analysis, is the only thing that we can rely upon to ascertain the future." *The Tunnel Thru the Air*, pp. 75, 77.

"Mathematics is the only exact science. All power under heaven and on earth is given unto the man who masters the simple science of mathematics. . . . The future is but a repetition of the past. There is nothing new. As the Bible says — 'The thing that hath been, it is that which shall be.' History repeats and with charts and rules we determine when and how it is going to repeat." "The Basis of My Forecasting Method," p. 1.

[3] The reference to pig iron is interesting, as it featured prominently in the cycle work of Samuel Benner in *Benner's Prophecies of Future Ups and Downs in Prices*, which was issued in annual or nearly annual editions [http://archive.org/search.php?query=Benner's Prophecies](http://archive.org/search.php?query=Benner's+Prophecies) . This does raise the question of the possibility that Mr. Gann talked with the journalist who wrote this article about the work of Benner.

[4] Mr. Gann has made known elsewhere that he "predicted the curve": "In making my calculations on the stock market, or any future event, I get the past history and find out what cycle we are in and then predict the curve for the future, which is a repetition of past market movements. The great law of vibration is based on like producing like. Like causes produce like effects. Wireless telegraphy, the phonograph and the radio are based on this law. The limit of future predictions based on exact mathematical law is only restricted by lack of knowledge of correct data on past history to work from. It is just as easy to figure 100 years or 1000 years in the future as one or two years ahead, if you have the correct starting point and know the cycle which is going to be repeated.

"A few years ago even scientific men, not alone the public, would have laughed at such a thing and refused to believe it. But mathematical science, which is the only real science that the entire civilized world has agreed upon, furnishes unmistakable proof of history repeating itself and shows that the cycle theory, or harmonic analysis, is the only thing that we can rely upon to ascertain the future." Gann, *The Tunnel Thru the Air*, pp. 76-77.

Mr. Gann, in fact, said he would teach students "the wave lengths of different stocks": "I teach all of these rules with my complete Forecasting Methods, showing how to determine the major and minor swings according to the time element. I can teach you how to determine the wave lengths of different stocks so you will know about how many points they are going to advance when they go into new territory and about how many points they are going to decline when they break out of the zone of distribution. With my Forecasting Methods, you can make up a forecast of the average market one or more years in advance and also make up a yearly forecast

on individual stocks. Each stock moves according to its individual time limit and makes top and bottom at different times, because the vibration and wave length varies on the different stocks." Gann, "1929 Annual Stock Forecast," supplement in his book *Wall Street Stock Selector*, pp. 39-41.

The curve is also referred to in the 1922 Forecast, reprinted above, presumably from the First Edition of *Truth of the Stock Tape*. Various predictions that Mr. Gann makes in the article above may be found in that forecast as well.

[5] This book is available for free online at <http://archive.org/details/economiccyclethoomooruoft> . Elsewhere Mr. Gann acknowledges his familiarity with Moore's work: "I have read Professor Moore's book and the trouble with him was that he failed to get the right time factor and of course did not know the cause behind market movements." W. D. Gann, April 1, 1926 letter to John H. Spohn (in the Letters ebook issued by the Gann Study Group).

[6] In the letter quoted in the preceding footnote, Gann comments: "You will find Schuster and Fourier theories helpful in analyzing the market." For more on this subject, see L. H. Weston's *Forecasting the New York Stock Market*, a book rumored to have been owned by W. D. Gann.

[7] W. D. Gann was aware of the importance of the weather and because of this he predicted it, as he notes in an advertisement: "What will start the next bull wave in cotton and when? These questions are answered in my 1926 Cotton Forecast which you can depend on to give you date when prices will reach low levels and tell when bad weather will cause a crop scare." ("Cotton Next Bull Market," published in The Times-Picayune, New Orleans, LA, March 14, 1926, p. 8).

[The Morning Telegraph, New York, NY, December 17, 1922]

GANN FORETOLD RUN OF STOCKS

Wall Street Scientist Forecasted
Top of Bull Market Year in Advance.

HIS INDICATIONS UNCANNY

by ARTHUR ANGY,
(Financial Editor, The North Side News.)

W.D. Gann has scored another astounding hit in his 1922 stock forecast issued in December, 1921. That forecast called for first top of the bull wave in April, second top in August, and the final top and culmination of the bull market October 8 to 15, and strange as it may seem, the average prices of twenty industrial stocks reached the highest point on October 14 and declined 10 points in thirty days after that date.

Mr. Gann predicted a big decline for the month of November. He said in the 1922 forecast: "November 10-14 panicky break." During this period stocks suffered a severe decline, many falling 10 points or more in four days, and on November 14 lowest average prices were made with 1,500,00 shares traded in on the New York Stock Exchange.

I found his 1921 forecast so remarkable that I secured a copy of his 1922 stock forecast in order to prove his claims for myself. And now, at the closing of the current year of 1922, it is but justice to say I am more than amazed by the result of Mr. Gann's remarkable predictions based on pure science and mathematical calculations.

The North Side News stands for a clean Wall Street and has rendered a great public service in helping to rid Wall Street of the bucket shop evil by publishing a series of articles in conjunction with the Magazine of Wall Street. We believe in branding a fake, and we believe in giving credit where due.

Gann No Tipster.

Mr. Gann is no "Wall Street tipster" sending out market letters and so-called "inside information." Mr. Gann's results are obtained by profound study of supply and demand, a mathematical chart of money, business and commodities. He determines when certain cycles are due, and the order and the time when market movements will follow.

During the past thirty years many men have proclaimed discoveries and theories to "beat the Wall Street game," most of which resulted in loss to their followers. They could always tell by the chart just why the market did it after it happened. Mr. Gann's theory differs from the others in that he tells months in advance what stocks are going to do.

His forecast stated that some stocks would make high this year in April, some in August and others in October — the month when he predicted the bull movement would culminate. Of a list of a hundred stocks, thirty made highest prices in April and many declined, while others continued higher; twenty made high during August; and fifty made high of the year in October, from which the largest decline of the year has taken place.

His 1922 forecast indicated final tops on railroad stocks for August 14. The Dow Jones's averages on rails made high August 21 and reached the same average levels on September 11 and October 16, but did not exceed the high made in August, which was made seven days later than the exact date called for in the forecast.

His Chart a Fact.

Such accurate long-range forecasting as Mr. Gann is doing sounds almost unbelievable, and how he does it I do not know, but the writer does know that he does it. My attention was first called to his 1921 forecast in which he predicted that stocks would be bottom in August, 1921, and advance to December, 1921. They did so. His chart or graph of the market one year in advance is a fact, and that the course of the stock market follows it astoundingly close is equally a fact.

Mr. Gann says the trouble with most chart makers is that they work with only one factor — space movements, or charts that record one to two points up or down — whereas there are three or more factors to be considered, space, volume and time. The most vital is time, and back of that is the cause of recurrence of high or low prices at certain intervals.

I asked Mr. Gann: "What is the cause behind the time factor?"

He smiled and said: "It has taken me twenty years of exhaustive study to learn the cause that produces effects according to time. That is my secret and too valuable to be spread broadcast. Besides, the public is not yet ready for it."

"Water seeks its level," continued Mr. Gann. "You can force it higher with a pump, but when you stop pumping it requires no force to cause it to return to its former level. Stocks are the same. They can be forced above their natural level of values to where lambs lose all fear, become charged with hope and buy at the top. Then stocks are permitted to sink to a level where hope gives way to despair and the most rampant bull becomes a bear and sells out with a loss. My discovery of the time factor enables me to tell in advance when these extremes must, by the law of supply and demand, occur in stocks and commodities."

FOR THE YEAR 1923

[The Daily Herald of Rutland, Vermont, December 29, 1922]

Wall Street Seer
Makes Predictions
for Coming Year

New York, Dec. 28. — W. D. Gann, Wall Street economist and scientist makes the following predictions for the New Year: —

"While there will be spurts of activity and some fairly good business during the spring and late summer, the general outlook is not encouraging and there is no indication of any boom in business this year.

"The cost of labor will continue high and keen competition in many lines will cut down profits. Crops will be good, but prices will be on the decline. The crops in foreign countries will be poor, especially in England and France.

"The foreign situation will play an important part in our business affairs this year and will cause lack of confidence and hesitancy on the part of business interests. Our government will have a lot of trouble on account of secret enemies in foreign countries. Treachery and deceit by some foreign power is shown, probably Japan. Turkey will not remain peaceful and there is a strong probability that she will start war again in the spring.

"From April to June a serious falling off in business, financial troubles, business and bank failures are indicated. During April the laboring classes will be very much dissatisfied and strikes are threatened.

"During the fall a serious business depression will set in and the general outlook become cloudy. November and December are very unfavorable and general business conditions will be very unsatisfactory. There will be business failures, declines in securities and a general state of unrest throughout the country.

"JANUARY: — The year starts in with an unfavorable outlook. Foreign conditions will be disturbing. There is a strong possibility of war in Europe. Conditions will be unfavorable in Russia, Turkey and Spain. Germany will be threatened with revolution. These depressing foreign conditions will unsettle business in the United States. The latter part of the month there will be a hesitation in business and unfavorable reports in industrial lines.

"FEBRUARY: — Commercial failures will increase. There is a possibility of an important bank failure. Germany, Austria, England and France will have serious financial troubles, which will depress business conditions here.

"MARCH: — Strikes in foreign countries and labor unrest will affect business. Germany may declare herself insolvent or a revolution may start there. France and Italy will be in a state of unrest.

"APRIL: — This is a war month for the United States and we are threatened with strikes and danger of war. Railroad earnings will be poor. A state of unrest and lack of confidence will be manifest among the people. Foreign countries will prove treacherous and grave misunderstandings are threatened, if not an open break. Japan will cause some trouble.

"MAY: — Business outlook somewhat improved, but strikes and war is threatened. Foreign affairs very much unsettled. There is strong possibility of war in a foreign country. France will have serious troubles.

"JUNE: — Some improvement in business and a better political outlook. Cold, rainy weather will cause some damage to crops. Conditions will be bad in the Eastern states and around New York city. Strikes and danger of war in foreign countries will still have a depressing influence on our business.

"JULY: — Storms, heavy rain and hail will cause damage to crops. France, Germany, Italy and Australia will be in a very unsettled state and strikes in this country are threatened.

"AUGUST: — Extreme heat and electrical storms will damage crops. There will be earthquakes in foreign countries which will do considerable damage. France and Germany will be in a great state of unrest and have serious financial troubles to face.

"SEPTEMBER: — Some improvement in business, but it will not last. Bad weather will cause damage to crops and business will begin slowing up the latter part of the month. Financial outlook very unfavorable.

"OCTOBER: — Business conditions very bad. Many business failures and conditions bordering on a panic throughout the country. Serious losses through fire and trouble on account of strikes is threatened. Some trouble with foreign countries will help to depress business.

"NOVEMBER: — This is a month of great excitement. Danger of strikes or war. Foreign conditions will be seriously disturbed. Australia, China, Spain, India, France and Germany will all be in a very unsettled state. Loss of confidence on the part of investors will cause serious declines in stocks in Wall street.

"DECEMBER — Business conditions very unfavorable. Strikes and failures are indicated. Loss of confidence on the part of the public and dissatisfaction with the administration at Washington will cause a serious wave of pessimism to fall over the entire country."

FOR THE YEAR 1929

[Three curves, possibly reproduced from the original forecast; these charts differ slightly in design, but apparently not in content, from the very poor reproductions in the forecast that follows. It is an immense help to the student to have these clear copies.]

D. GANN, PRESIDENT

11-23-1929
CABLE ADDRESS: GANWADE, NEW YORK.

SMALL SUPPLY
LARGE DEMAND
RISING PRICES



LARGE SUPPLY
SMALL DEMAND
FALLING PRICES

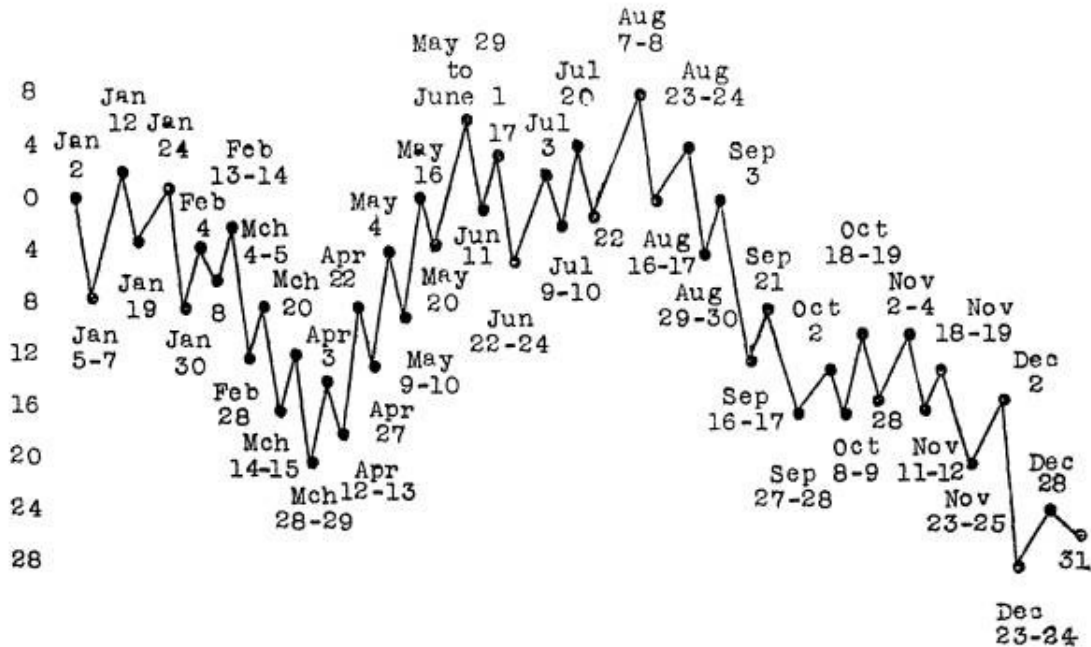
SCIENTIFIC ADVICE
ON
STOCKS, COTTON, GRAIN.

ANALYTICAL REPORTS
ON
MARKET CONDITIONS

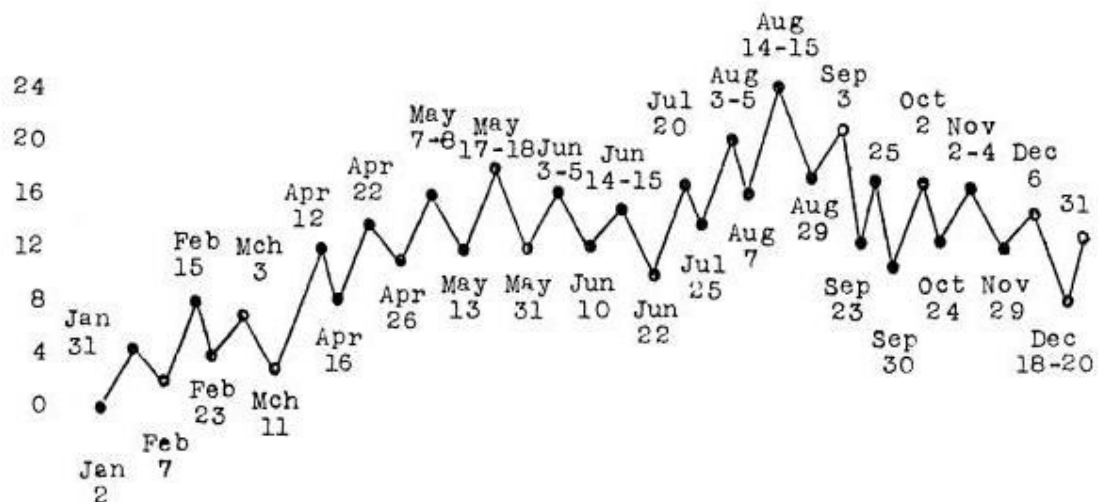
W. D. GANN SCIENTIFIC SERVICE INC.
78 WALL STREET, NEW YORK

1929 ANNUAL STOCK FORECAST
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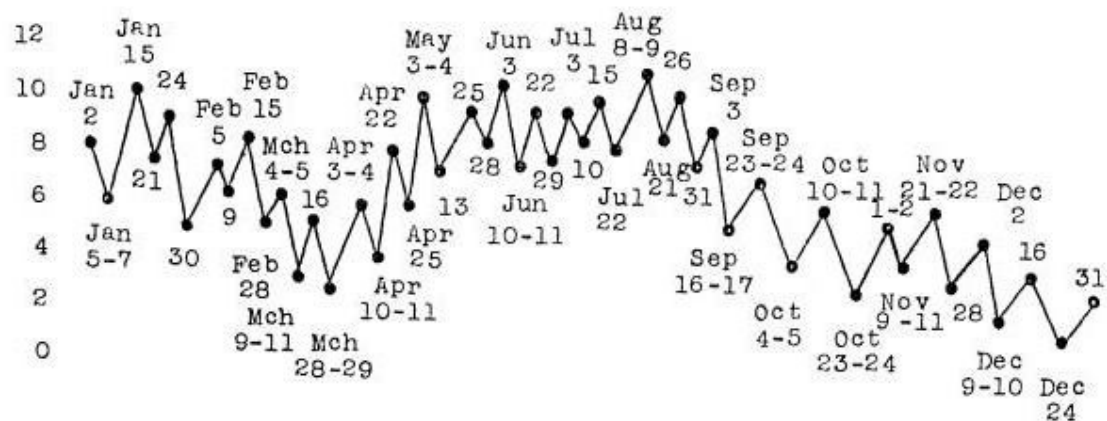
Projected Curve #1 and Main Trend which the 30 Industrial Stocks
should follow:-



Projected Curve #2 which Industrial Stocks in strong position should follow:-



Projected Curve which Railroad Stocks should follow:-



FOR THE YEAR 1929

[Publicity end matter
in the *Wall Street Stock Selector*]

W. D. GANN'S 1929 ANNUAL STOCK FORECAST

Industrial Curve No. 1, shown below, is an exact copy of my Forecast, sent out on November 3, 1928, for the year 1929. Curve No. 2 is an exact copy of the projected trend for stocks in strong position which led the advance. The charts of 30 Industrials and 20 Rails will show you how closely the Dow-Jones Averages followed my Forecast. Note how the Forecast called for the big decline which culminated in March and indicated bottom; how it advised buying for a big advance to last until August. Most stocks made top within a few days of the date forecast. You will see that the Forecast indicated September 3 as last day that stocks should be top and a big decline follow. On September 3, the Dow-Jones 30 Industrial stock averages reached the highest of the year and the highest in history, from which a big decline followed, as indicated in the Forecast.

Do you know of any other economic, investment or advisory service that was able to predict the 1929 stock panic one year in advance? My Forecast was based on my Master Time Factor and mathematical interpretation of the return of cycles. It was not based on guesswork or human judgment. If it had been, I would have been just as wrong as other people who guessed. You cannot afford to depend on guesswork when you are risking your money in the market. What others think makes no difference. You want to follow someone who knows. When you know the future, you have no fear and can trade with confidence.

My Annual Stock Forecast will help you to know when to buy and sell at the right time and will prove of great value to you. We have a chart reproducing my Annual Forecasts from 1919 to date and a comparison with the Dow-Jones averages, which we will be glad to send to anyone interested, also literature, testimonials and newspaper comments on the service. My Annual Forecasts on Grain, Cotton, Coffee, Sugar, Cocoa and Rubber have proven very accurate for many years.

GENERAL OUTLOOK FOR 1929

This year occurs in a cycle which shows the ending of the bull market and the beginning of a prolonged bear campaign. The present bull campaign has lasted longer than any other previous campaign in the history of this country. The fact that it has run longer and prices have advanced to such abnormal heights means that when the decline sets in, it must be in proportion to the advance. The year 1929 will witness some sharp, severe panicky declines in many high-priced stocks.

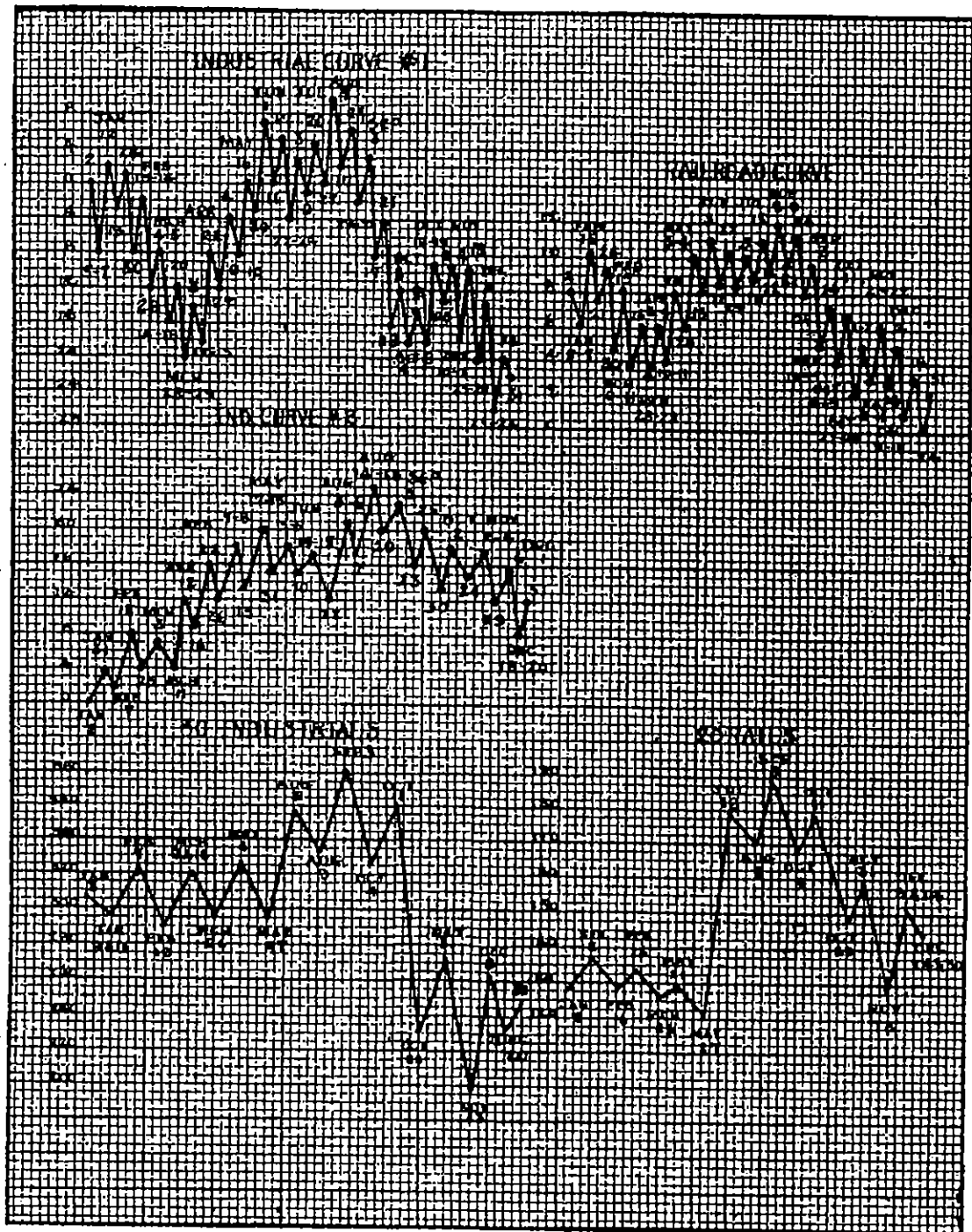
The history of the stock market has always been that it discounts prosperity and that in doing so prices always advance too far. In other words, the stock market runs too far ahead of prosperity and the first decline is only a readjustment back to what stocks should sell according to their merit and investment return. Then, when business depression sets in and earnings start to show a falling off, stock prices continue to go lower, discounting unfavorable business conditions.

But such groups of stocks as the oils, sugars, rubbers and some of the agricultural stocks, which have been depressed and declined while other stocks advanced, will record much higher prices in 1929. New and popular industries will continue to prosper, such as, radio, airplane, chemical and electrical concerns. This is the electrical age. People take quickly to new inventions, especially those which provide for the convenience and comfort of living. This will increase the earnings of concerns manufacturing new electrical appliances.

Many stocks will be distributed and will work lower while the stocks in strong position work higher. With such a varied list of stocks representing so many industries in different parts of the country, it is not reasonable to suppose that they would follow the same trend by any means.

More and more business is getting into the lines of mass production, mergers and consolidation. The big companies are getting the business while the smaller companies find it harder to get business enough to return a fair amount on their capital stock.

1929 ANNUAL STOCK FORECAST



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During the early part of the year, business conditions will not be up to general hopes and expectations. In the Spring and Summer business will improve and the outlook generally will be cheerful. But again in the Fall of the year depression will set in and unfavorable business conditions will cause big declines in stocks. Money rates will be high the greater part of the year.

During the year 1928 the public have entered the stock market on the largest sale ever known in history. Foreigners have bought our stocks more than at any time since or prior to the outbreak of the World War. The American public is no longer making safe investments in stocks. They have the gambling fever and are buying everything regardless of price, simply buying on hope that stocks will continue to go up. This is a dangerous situation and has always resulted in a big decline. There will be no exception in this case.

The man who makes money buying stocks in 1929 will have to use greater discrimination than ever before in selecting the right stocks to buy. When once stocks have reached final top and start on the way down, they will continue to work lower and rallies will get smaller. Those who hold on and hope will have big losses. The markets will move over a very wide range and sharp, severe declines will be followed by quick rallies. It will be necessary most of the time for a trader to be very nimble and change position quickly in order to take advantage of the opportunities as they develop in an active market.

WHAT WILL CAUSE THE NEXT DEPRESSION IN BUSINESS AND DECLINE IN STOCKS?

Prosperity!—The great wave of prosperity which this country has experienced during the past few years has been in many ways responsible to the stock market. The great increase in the value of stocks has increased the borrowing power of various companies and has permitted expansion and even inflation. The pendulum has swung so far in one direction that many people have forgotten that it can ever swing back in the other direction, but one extreme always

and 1928 when more than half a billion of gold has flowed out to foreign countries and there are no prospects that it will not continue during the next few years.

Instalment Buying.—People are still living beyond their means and instalment buying continues on a large scale. We believe it will yet prove to be the greatest menace to business and to the prosperity of the country. When depression sets in and unemployment increases and people are unable to pay for goods which they have bought on a credit, buying power will be reduced and many companies will not only lose business but will lose money on goods sold on a credit.

Agricultural Situation.—Has been so unfavorable during the past few years that the Government has had to devise means to help the farmer and no doubt President Hoover will see that some law is passed to remedy this condition. However, we are in a cycle which is likely to produce crop failures or a series of small crops for some years to come. This will reduce the purchasing power of the farmer and help to bring about deflation in stocks.

Prosperity Complex.—The recent wave of seeming prosperity has been due to the psychological effect on people. They have watched stocks go wild in the past three years until they are hypnotized into believing that every concern and everybody is prosperous, but facts do not confirm it. During 1927 about 45 per cent of all concerns making income tax returns showed a loss in business and 1928 will not be much better. It is now a survival of the fittest. The small businesses are failing more every year. Conditions are changing so fast that many old firms are being forced out of business. Electricity and oil are taking the place of coal and wood. Automobiles supplanted the horse, and the railroads, despite the large increase in population and business, have not shown as great earnings as they did 20 years ago. Many industries have not been prosperous for some time. The textile, coal and agricultural industries have suffered. The oil situation has been bad until recently. The rubber-industry has been demoralized by low prices. Sugar has been at low levels for the past two years. When people realize that prosperity is not general and confined to only a few lines, then they will have the "panic complex."

Public Confidence.—As long as the public believes that everything is all right, they will hold on and hope, but when public buying power has exhausted itself and the largest number of stock gamblers in history lose confidence and all start to sell, it requires no stretch of imagination to picture what will happen. When the time cycle is up, neither Republican, Democrat, nor our good President Hoover can stem the tide. It is a natural law. Action equals reaction in the opposite direction. We see it in the ebb and flow of the tide and we know that from the full bloom of summer follows the dead leaves of winter. Gamblers do not think; they always gamble on hope and that is why they lose. Investors and traders must pause and think, look and listen, and get out of stocks before the great deluge comes.

War.—Our great prosperity has caused jealousy throughout the world, and as conditions get worse in foreign countries, greed and jealousy will lead to war. It is the hungry dog that starts the fight. A study of the rise and fall of nations shows that when any country enjoys unusual prosperity for a long period of time, war is one of the main causes of the start of depression. While we hear a lot of talk about peace, the facts show that many of the leading foreign countries as well as our own country, are spending more money preparing for war than ever before in their history. When a man or a country is armed and gets ready to fight, he usually gets what he is ready for.

Foreign Competition.—Germany is rapidly coming back and competition for trade will be keener in the coming year. Many of the other foreign countries are making desperate efforts to regain their pre-war trade and will make progress along these lines, which will hurt our business.

INDUSTRIAL STOCKS

Main Trend or Major Swings

The Industrial Curve this year is based on the Dow-Jones' 30 Industrial Stock Averages. Previously the Dow-Jones' Averages, which are published by the *Wall Street Journal*, were based on 20 industrial stocks, but in the latter part of 1928, they changed from 20 to 30 and our Curve

is based on the 30 Industrial Stocks. The stocks now used in these Averages are: Allied Chemical, Am. Can, Am. Smelting, Am. Sugar, Am. Tobacco B, Atlantic Refining, Bethlehem Steel, Chrysler, Gen. Electric, Gen. Motors, Gen. Ry. Signal, Goodrich, Int. Harvester, Int. Nickel, Nash Motors, Mack Trucks, North American, Paramount, Postum, Radio, Sears Roebuck, Stand. Oil of N. J., Texas Corp., Texas Gulf, Union Carbide, U. S. Steel, Victor Tk., Westinghouse, Woolworth, Wright Aero.

From the low level in August, 1921, to the high level in November, 1928, the 20 Industrial Stocks recorded an advance of about 230 points, the greatest advance in history. The fact that these Averages advanced nearly 100 points during 1928 is unparalleled in history. This year is like 1906, 1916, and 1919, when such violent fluctuations were witnessed and large volume of trading took place, only to be followed the year after by a panicky decline.

The minimum between extreme high and extreme low during 1929 for the 30 Industrial stocks will not be less than 50 points and the maximum fluctuation may be as much as 90 to 100 points. This means that many of the high-priced stocks will fluctuate 150 to 200 points between extreme high and extreme low prices. The lower-priced stocks will move in a narrower range and will not make as much as the minimum between extreme high and low.

Most of the Dow-Jones' 30 Industrial Stocks will follow Curve No. 1 very closely. The high point for most of these stocks will be reached around January 12th. After that time prices should gradually work lower and the trend should be down until around March 28th to 29th, when bottom will be reached for another bull campaign. Many stocks will reach bottom around March 14th to 15th and remain in a narrow trading range until the bull campaign starts in April. When the advance gets under way, some stocks will reach top for the year in May, others in June and some of the others which are behind the market will reach final high in August as shown by Curve No. 1 and Curve No. 2. A large majority of stocks will not go any higher than the highs reached in the month of July. After July and early August,

the main trend will be down and some sharp declines will take place, prices working lower and reaching first bottom around September 27th to 28th. From this level follows a fair-sized rally and a trading market running into the early part of November. After that, the big bear campaign will get under way and stocks continue to work lower, reaching extreme low level for the year around December 23rd to 24th.

There are now over 1500 stocks listed on the New York Stock Exchange and often in one day over 800 different issues are traded in. Therefore, the 30 Industrials and 20 Rails do not always represent the main trend or curve of the market and many stocks will run in opposition to this trend. That is why I am giving you Curve No. 1 and Curve No. 2 on Industrial stocks.

Industrial Curve No. 2 represents the stocks which are in strong position and many of which are not included in the Dow-Jones' 30 Industrials. Many of these stocks have declined during 1928 and have been accumulating. They will advance while other stocks decline. Curve No. 2 indicates low around January 2nd followed by an advance up to January 31st; a decline to February 7th and high of next rally around February 15th. Then prices will work lower, making bottom around March 11th. Watch the stocks that make bottom at this time as they will be the ones to lead the advance. After the low in March, this Curve continues to work higher with only moderate reactions until high is reached around May 17th to 18th. From this top a bigger decline will take place. The last low is indicated around June 22nd. From this level the stocks which are in strong position and behind the market will gradually work higher, some of them reaching top during July while others will not reach final top until August 14th to 15th. After this top is reached heavy liquidation will start and prices will work lower from every rally. First decline culminates around September 30th; then a rally making top on October 2nd, followed by a decline to October 24th; then a final top around November 2nd to 4th, followed by a big decline, reaching bottom around December 18th to 20th; then a rally to the end of the year.

Below is a list of stocks in strong position which should follow closely Industrial Curve No. 2. They will be the best stocks to buy on reactions:

Ajax Rubber	Cont. Baking A	Loft	Sinclair Oil
Amerada	Cont. Motors	Lee Rubber	So. Porto Rico Sug.
Am. Agri. Ch.	Cuban Am. Sug.	Lehn & Fink	Spicer Mfg.
Am. Beet Sug.	Curtiss Aero.	Louisiana Oil	S. O. of Calif.
Am. Bosch Mag.	Davison Chem.	Mack Trucks	S. O. of N. J.
Am. Brake Sh.	Dome Mines	Magma	S. O. of N. Y.
Am. Drug	Elec. Pr. & Lt.	Mallinson	Sun Oil
Am. & For. Pr.	Elec. Storage	Maracaibo	Superior Oil
Am. Ship & Com.	Fisk Rubber	Marland	Tennessee Cop.
Am. Steel Fdy.	Foundation	Mex. Seab.	Texas Corp.
Am. Sugar	Glidden	Mid-Cont. P.	Texas Pac. C. & O.
Am. Woolen	Goodrich	Nat. Pr. & Lt.	Texas Gulf Sul.
Anaconda	Goodyear	Nevada Cons.	Transcont. Oil
Armour A	Granby	N. Y. Airbrake	U. S. Rubber
Assd. Dry Gds.	Gt. Nor. Ore	Otis Steel	U. S. Smelt.
Austin Nichols	Gt. West. Sug.	Packard	Va. Car. Chem.
Barnsdall A	Hupp	Panhandle	Ward Baking B
Beechnut	Indian Ref.	Pan Pete B	Warner Pictures
Bethlehem St.	Inspiration	Park Utah	Westinghouse Elec.
Booth F.	Int. Comb. Eng.	Pathe Ex. A	White Eagle
Briggs	Int. Mar. Pfd.	Phillips P.	White Motors
Cal. & Hecla	Jones Tea	Pillsbury Fl.	Willys Overland
Central Alloy	Kelsey Hayes	Reo Motors	Wilson & Co.
Cerro de Pasco	Kelvinator	Republic Iron	Worth Pump
Chandler Clev.	Kennecott	Reynolds Spg.	Wright Aero
Chile Copper	Kresge, S. S.	Royal Dutch	Yellow Truck
Congoleum	Lago Oil	Shell Union	Producers & Ref.
Cons. Textile	Loews	Simms Pete	

The stocks given in the list below are the ones which have been distributed and are the best to sell short around the dates indicated for top on Curve No. 1. These stocks will have the greatest declines; especially in the early part of the year and again from August to December when a big bear campaign is indicated.

Allis Chalmers	Chrysler	Int. Harvester	Timken
Allied Chemical	Coca Cola	Kroger	Tobacco Products
American Can	Cont. Can	Mathieson Al.	Union Carbide
Am. Intern'l	Corn Products	Mont. Ward	U. S. Ind. Alcohol
Am. Linséed	Dupont	Reynolds "B"	U. S. Steel
Am. Locomotive	Gen. Electric	Sears Roebuck	Vanadium
Am. Radiator	Gen. Motors	Shattuck F. G.	Victor Talking
Am. Smelting	Hudson Motors	Stewart Warner	Woolworth
A. M. Byers	Houston Oil	Studebaker	

RAILROAD STOCKS

Main Trend or Major Swings

The Railroad Curve is based on the Dow-Jones' 20 Railroad Stock Averages published by the *Wall Street Journal*. The issues used in these Averages are as follows: Atchison, Atlantic Coast, B. & O., Canadian Pacific, Ches. & Ohio, Rock Island, Del. Lackawanna & Western, Erie, Illinois Central, Louisville & Nashville, N. Y. Central, New Haven, Norfolk & Western, Northern Pacific, Pennsylvania, Pere Marquette, Southern Pacific, Southern Railway, Texas & Pacific, and Union Pacific.

From the low in June, 1921, to the high in November, 1928, these Railroad Averages advanced nearly 80 points. They have made the highest price in history, getting above the extreme high level recorded in 1906. The fact that they advanced into new territory in the latter part of 1928 shows the possibility of many rails which are in strong position going higher during 1929. But the fact that during prosperous times the railroads have been unable to earn an average of 6 per cent on their capitalization does not make them very attractive from a speculative standpoint. Only those which have merit and show large earnings will have very big advances during 1929.

The fluctuations between extreme high and extreme low during 1929 are not likely to be less than 20 points and the average may be as high as 30 to 35 points, which means that many high-priced stocks will fluctuate 50 to 75 points between extreme high and low.

The Rails as a rule follow the forecast trend better than the Industrials because they represent only one group of stocks while the Industrials represent fifteen or twenty different groups. The Dow-Jones' 20 Railroad Stock Averages are representative of the railroad group and most of the railroads will follow Curve No. 1 very closely, therefore it is not necessary to give Curve No. 2 this year.

Railroad Curve No. 1, you will notice on page 12, runs down from January 2nd and bottom is indicated around the 5th to 7th. Top for the month of January is indicated around the 15th and after this date the main trend is down,

prices working lower and reaching first bottom around March 9th to 11th and second bottom around March 28th to 29th. Accumulation should take place around this time and a bull campaign should start. First top is indicated around May 3rd to 4th; then a decline, followed by an advance with second top, possibly a little higher, around June 3rd. Then another decline and irregular market, reaching low level around June 28th and 29th. After that prices will work higher until around July 15th; then decline to the 22nd, followed by an advance to around August 8th to 9th, when final top on rails should be made for another big decline. After this top, prices will work lower from every rally. A big decline is indicated for September; another sharp decline in October, reaching bottom around the 23rd to 24th; then a rally running to around November 21st to 22nd followed by a decline to December 24th, when the 20 Rails will reach the lowest price of the year.

The following Rails are in the strongest position and should have the greatest advances at the times when the bull campaigns are indicated:

Atlantic Coast Line	Del. Lackawanna & W.	Missouri Pacific
Bangor & Aroostook	Erie	New Haven
Brooklyn Man. Transit	Gt. Northern Pfd.	Northern Pacific
Chicago Gt. Western	Hudson & Manhattan	Seaboard Air Line
C. M. & St. Paul Com.	Kansas City Southern	Wabash Common
C. M. & St. Paul Pfd.	Mo. Kansas & Texas	Western Maryland

The Railroad stocks given below are those which are in the weakest technical position; have had advances and show distribution. They will be the best short sales on rallies during the times that the Forecast indicates declines.

Atchison	Lehigh Valley	Pittsburgh & W. Va.
Baltimore & Ohio	Louisville & Nash.	Reading
Canadian Pacific	N. Y. Central	St. Louis & San Fran.
Chesapeake & Ohio	Norfolk & Western	St. Louis & S. W.
Rock Island	Pere Marquette	Southern Pacific
Delaware & Hudson	Texas & Pacific	Southern Railway
	Union Pacific	

POSITION OF THE VARIOUS GROUPS

With the large number of stocks now listed on the New York Stock Exchange representing the various industries

throughout this country and foreign countries, and as these different groups of stocks are affected by supply and demand and the varying conditions in the different parts of the United States and by events which transpire in foreign countries, it is impossible for them to all reach extreme high or extreme low on the same date or even in the same year or the same month. The different time element of the various stocks and groups of stocks will cause some to advance while others decline. Therefore it is well to watch the individual stocks. Watch those that make top in May, those that make top in June and those that make top in August. The ones that make top in the early part of the year and fail to reach higher levels in July or August, will be the ones to lead the decline, because they will have had longer time for distribution. Guard against selling short the late movers until they have had time to complete distribution. You will receive a list of stocks in strongest position and those in weakest position with the Supplement on the first of each month.

The Dow-Jones' 30 Industrial stocks are representative of the active industrials and most of them will follow the Industrial Curve very closely, but some of the individual stocks which are in strong or weak position will vary from this Curve and make tops and bottoms at different times. These special stocks and their position will be covered in the Supplements each month.

The New York *Herald Tribune* Averages on 70 stocks are a more active and reliable trend guide now than the Dow-Jones' 30 Industrials. I am giving the stocks used in these Averages because I will often refer to them in the Supplements issued on the first of each month during the year. The range of these 70 stocks between extreme high and low should not be less than 40 points and will probably reach as high as 70 to 80 points. They take in the representative stocks from the following groups:

COPPERS.—Am. Smelting, Anaconda, Cerro de Pasco, Calumet & Ariz., Greene Cananea, Kennecott and Tennessee Copper & Chemical.

EQUIPMENTS.—Am. Car & Fdy., Baldwin Loco., Gen. Ry. Signal, Pullman.

FOODS.—Am. Sugar Pfd., Armour & Co. of Del. Pfd., California Packing, Corn Products, Nat. Biscuit.

MANUFACTURING.—Allied Chemical, Allis Chalmers, Am. Can, Am. Radiator, Am. Tobacco, Burroughs Add. Machine, Chicago Pneumatic Tool, Coca Cola, Columbian Carbon, Eastman Kodak, Endicott Johnson, General Electric, Int. Bus. Machine, Int. Harvester and U. S. Rubber.

MOTORS.—General Motors, Chrysler Motors, Chrysler Motors Pfd., Jordan, Hudson, Mack Truck, Stewart Warner, Stromberg, Studebaker, White.

OILS.—Atlantic Refining, California Petroleum, Houston, Maryland Oil, Pan-American Pete "A", Pure Oil Pfd., Standard Oil of Calif., Standard Oil of N. J., Texas Company and Union Oil of Calif.

STEELS.—Bethlehem, Crucible, Gulf States, Sloss Sheffield, U. S. Steel, Vanadium.

STORES.—Gimbel Bros., Macy, Montgomery Ward, Sears Roebuck and Woolworth.

UTILITIES.—American Express, Am. Tel. & Tel., B'klyn Edison, Columbia Gas, Cons. Gas, Detroit Edison, Peoples Gas, Western Union.

A review of the above groups showing those in the strongest and weakest position will be sent with the Forecast or given in the Supplements each month.

IMPORTANT DATES FOR CHANGE IN THE MAJOR TREND

The following dates should be watched for important changes in the major trend of both Industrial and Railroad stocks. If any stock makes top or bottom around any of these dates, you can expect a reversal in trend, especially if there is a sharp decline or a sharp advance around these dates: Feb. 8th to 10th, March 21st to 23rd, May 3rd to 7th, June 20th to 24th, August 3rd to 8th, Sept. 21st to 24th, Nov. 8th to 11th, Dec. 20th to 24th. These dates are based upon a permanent cycle which does not change. Important tops and bottoms are made in many stocks every year around these times. Watch the stocks that reach extreme high or low levels around these dates.

DATES FOR ACTIVITY AND WIDE FLUCTUATIONS

The following dates indicate times when stocks will be very active and have wide fluctuations, making tops and bottoms. While all stocks will not make tops and bottoms around these dates, some of the most active ones will and if you watch the ones that turn around these dates, it will prove helpful in your trading:

January 5th to 7th, 12th to 15th, 18th to 24th.

February 9th to 12th, 20th to 22nd, and 27th to 28th.

March 10th to 11th, very important for change in trend; 21st to 22nd important; 28th to 29th another very important date for change.

April 3rd, 9th to 10th, 13th to 15th, 21st to 23rd.

May 3rd to 4th—watch stocks that make top around this date; 9th to 11th another important date when some stocks will make bottom and other stocks will make top. 22nd to 23rd and 29th to 31st—very important dates for change in trend; watch for stocks that will make top around this date.

June 1st to 2nd—quite important; 7th to 10th another important change; 21st to 23rd a more important change.

July 3rd to 5th—very important for change in trend; 9th to 10th also quite important; 21st to 24th more important.

August—One of the most important months for change in trend. Many stocks will start on their long down trend. 7th to 8th—quite important; 16th to 17th important; 23rd to 24th important; 29th to 30th of minor importance.

September 2nd to 3rd important; 16th to 17th important, should be bottom of a panicky decline. 21st to 24th important for top; 27th and 28th important for bottom of a big break.

October 2nd; 8th to 9th; 18th to 20th very important—watch stocks which start to decline and go with them; 26th to 28th minor importance.

November 10th to 22nd—a very important period for wide fluctuations. Airplanes, radio and some electrical stocks may have sharp advances. Other important dates for changes are 1st to 2nd, 17th to 19th, and 24th to 25th.

December 1st to 2nd important; 16th to 17th of minor importance; 23rd to 24th greater activity and of major importance.

The above dates are not only important for changes in trend and times when bottoms and tops should be reached, but on these dates important news is indicated and some will be of a sudden, unexpected nature, at times favorable and at other times unfavorable, but causing stocks to be active and fluctuate; making tops and bottoms and changing trend.

HOW TO TRADE WITH THE FORECAST

The time given for tops and bottoms is the most important factor for you to know and watch. It makes no difference about the price a stock is selling at. So long as you **KNOW WHEN** it will reach low or high levels you can buy or sell and make money. When the Forecast indicates bottom at a certain date and stocks decline, you should buy the ones given as in strong position or the ones we recommend buying and place a stop loss order 3 to 5 points away according to the price the stock is selling at. With stocks that sell at \$200 to \$300 per share, it is often necessary to use a

stop loss order 10 points away because you have an opportunity to make large profits and can afford to take a greater risk.

Watch the action of stocks around the dates when the Forecast shows that tops or bottoms are indicated and when they hesitate for a few days and fail to make new high or low levels, you should get out and reverse position. Keep up charts and follow the rules in my book, **TRUTH OF THE STOCK TAPE**, and you will be able to follow the Forecast to better advantage and make more profit.

Do not expect the Averages or individual stocks to advance or decline as many points as shown on the graph or Projected Trend. This is only a guide to show you when big swings and activity are indicated. For example: Industrial Curve No. 1 begins at "O" on January 2nd and runs down to "7" on January 5th to 7th, a decline of 7 points on Averages. Some high-priced stocks may decline 10 to 20 points at this time while other low and medium-priced stocks will decline only 2 to 5 points. While some stocks which are late movers and in very strong position will follow Curve No. 2 and move up during January at the same time that high-priced leaders decline, the main thing is that Curve No. 1 shows a sharp advance from January 5th to 7th up to January 12th and Curve No. 2 shows up trend all the month of January. Therefore you should watch for a decline and buy the strong stocks around January 5th to 7th; then watch for top January 12th to 15th, sell out and go short of the stocks which are in our short sale list. Then on January 30th, if there has been a big decline as shown by Curve No. 2, you should cover shorts and buy for a rally and if stocks advance to February 13th to 15th, watch for top, sell out longs and go short because Curve No. 1 indicates a big decline the last half of February and during March.

The big buying opportunity will come in March. Around March 10th to 11th and 28th to 29th, you should buy the best stocks to hold for the Spring bull campaign into late May. Both Curve No. 1 and No. 2 indicate a big decline from July and August to December, therefore from July and August you should play the short side and wait for ral-

lies to sell short rather than buy on breaks because the main trend will be down and you should never buck the trend but go with it.

Remember you must buy and sell at the right time regardless of prices. No matter how high stocks are, if they are going higher, you should buy. It makes no difference how low they are; if the trend is down and they are going lower, you must sell short and go with the trend. Take a loss quickly if you see that the Forecast is off or you have picked the wrong stock. Do not hold on and hope. Delays are dangerous. It is easy to make back small losses, but hard to regain big ones. Follow the rule—cut short your losses and let your profits run. Learn to act quickly. How much better to take action now than to trust to uncertain time. You can always get in the market again so long as you have money. New opportunities always come if you have patience and cash to take advantage of them.

1929 PREVIEW

JANUARY, FEBRUARY AND MARCH

While the new year opens under favorable conditions and you will hear much about great prosperity and the newspapers will be optimistic for the future, the bright outlook is likely to be clouded with war or complications in foreign countries. Trouble is threatened to the United States through Mexico or Japan. Peace pacts are likely to be broken. Spain and France will arouse opposition. Agitation over religion in some of the foreign countries will disturb peaceful conditions.

Great storms are indicated in the south and southwestern parts of the United States during the early Spring. Much loss and damage by fire. In March when President Hoover takes office, if some law has not already been passed, he will advocate having one passed to help the farmers. This will cause an advance in commodities and in turn help agricultural stocks. Airplane concerns will make rapid progress in the Spring and from a panicky depressed stock market in February and March, a Spring bull campaign will take place.

favorable agreement in regard to trade which will cause business depression here. A great change in the business outlook will set in as we near the end of the year. Corporation earnings will show depreciation and be disappointing.

The month of October indicates some advance in mining stocks. The oil and sugar stocks will be among the last to advance around this time. During November the chemicals and oils will have a boom for a short time and make final top. In December foreign business with South American countries will be good, but we will have competition from some of the European countries.

MONTHLY INDICATIONS

JANUARY

The new year starts off under favorable conditions, but profit-taking will start and stocks will sell off sharply the first few days. Then good buying will appear and an advance will start. The oils, rubbers, chemicals, and airplanes will lead the advance, reaching top around the 12th to 15th. Around the 18th to 24th some rails, electrics and steels will advance. Some trouble in foreign countries, probably Germany or France, will have an unfavorable effect and will help to start the decline here. Watch for top; sell out long stocks and go short. Quite a decline will take place to the end of the month.

Industrial Stocks indicate extreme high for the month around the 12th to 15th; extreme lows around the 5th to 7th and 30th. Minor moves: January 2nd decline should start; 5th to 7th bottom of decline. Heavy buying should start around this time and a sharp advance should take place, making top around the 12th. 19th bottom of decline; 24th top of rally; then follows heavy selling and a sharp decline, reaching bottom around the 30th.

Railroad Stocks indicate extreme high for the month around the 15th; extreme low around the 5th to 7th and 30th. Minor moves: January 2nd top, when decline should start; 5th to 7th bottom for quite a rally; 15th top of strong

Steel business will be quite active. Electrical concerns will do a large business and there will be a boom in oil stocks.

APRIL, MAY AND JUNE

The Spring Quarter indicates unfavorable weather for starting crops. Storms and rains and danger of a tidal wave along the Gulf of Mexico. Commodity prices will advance and business in general will improve. A wild wave of speculation in oils, coppers, rubbers, sugars and airplane stocks will make this a very active period. Along in May or June foreign competition will begin to hurt business in some lines in this country. This will cause a depressing effect on stocks and they will decline.

JULY, AUGUST AND SEPTEMBER

During this period some of the foreign countries will prosper and we will have great competition to face. War or trouble with foreign countries is threatened. A very mixed market during this period with some stocks advancing while others decline. Speculation will shift from stocks to commodities on account of short crops. Foreign crops will be short in some of the countries. Storms and unseasonable weather will cause damage.

August will be marked by many electric storms and damage by fire. Some new discoveries will help chemical stocks around this time. Germany and France will make great strides in aviation.

September.—A great change in business conditions will set in around this time which will cause a severe decline in the stock market. Textile and woolen stocks will prosper and these will be among the last stocks to advance. During the months of April, August, September, and October, there is danger of war and trouble through foreign countries.

OCTOBER, NOVEMBER AND DECEMBER

Settlement of the debt question with France will again come to the front. Other countries will arrange some

rally, when another decline should start; 21st bottom of decline; 24th top of rally. From this top a big decline should take place reaching low for the month around the 30th.

Dates to watch for change in trend: The dates marked "XX" are the most important and indicate a major change in trend. You should watch for important changes around these dates. The dates marked "X" only indicate minor changes in trend which will only last for a few days. January 5th-7th XX, 11th-12th X, 25th-26th XX, 31st X.

FEBRUARY

Business will fall off and we will hear some discouraging reports. The Federal Reserve Bank will make some change or threaten to curb speculation. There will be talk of new banking laws, which may be adverse to speculation. The general list of high-priced stocks will decline this month, although the market will be mixed. Sugars, rubbers and late movers will have some advances. The railroad, airplane, radio, and electric stocks will rally from every decline. Around the 12th to 13th of the month some of the oils, rubbers and sugars will be quite strong. The general list of old time leaders, however, will work lower from every little rally.

Industrial Stocks indicate extreme high for the month around the 13th to 14th and extreme low around the 28th. Minor moves: 1st to 4th advance; then follows a decline to the 8th, when bottom should be reached for another quick rally; 13th to 14th top, sell out and go short. Expect heavy liquidation and a sharp, severe decline reaching bottom around the 28th for a moderate rally.

Railroad Stocks indicate extreme high for the month around the 15th and extreme low around the 28th. Minor moves: 1st to 5th advance and make top for a moderate decline; 9th bottom of decline; expect quick rally in some rails, reaching high around the 15th, followed by a sharp decline making bottom around the 28th.

Dates to watch for change in trend: 9th to 12th XX; 19th to 20th XX; 23rd to 24th X, 28th X.

MARCH

Mr. Hoover will take the office of President of the United States this month and in the early part of the month there will be a demonstration in stocks and quite an advance, but it will not hold and a sharp, severe decline will take place in many stocks before the end of the month. Some trouble is likely to come up in connection with Spain or Mexico which will upset the market. Airplane stocks will be quite strong during the dates indicated for advances to take place. The oils, sugars and chemicals will hold up better than other stocks. Traction stocks will be strong and there is likely to be some development in connection with the subway fare which will cause an advance in New York traction stocks. The steels, motors, rails, and electrical issues will break during the early and latter part of the month.

Industrial Stocks indicate extreme high for the month around the 4th to 5th; extreme low around the 28th to 29th, although some stocks will reach low for the month around the 14th to 15th. Minor moves: 1st to 5th strong advance. The market will be discounting President Hoover's inauguration. A sharp decline follows, making first bottom around the 14th to 15th; then a quick rally in many stocks reaching top around the 20th, followed by heavy liquidation and a sharp decline to around the 28th or 29th when final bottom will be reached for another bull campaign. This is the time to buy the stocks in strong position as they will have sharp advances and work higher into the summer.

Railroad Stocks indicate extreme high for the month around the 4th to 5th; extreme low around the 9th to 11th and 28th to 29th. Minor moves: 1st to 5th strong market. Stocks behind the market will lead the advance. From the top around the 4th to 5th quite a sharp decline will take place, culminating around the 9th to 11th; then follows a moderate rally reaching top around the 16th; then another decline, making final bottom around the 28th to 29th when you should buy the stocks in strong position for an advance which will last into the early days of May.

Dates to watch for change in trend: 4th to 5th X; 10th to 11th XX; 16th X; 21st to 23rd X; 28th to 29th XX.

APRIL

The public will again come into the market on a large scale and there will be a wild wave of speculation, especially in the oils, coppers, rubbers, sugars and airplane stocks. The chemicals, airplanes and radio stocks will have rapid advances. Some action by the Government or law passed will cause a break which will run down to around the 15th. Money rates will be quite high. 16th to 30th, General news will be more favorable and stocks will have better advances. Foreign trade will increase, especially with the South American countries.

Industrial Stocks indicate extreme low for the month around the 12th to 13th and extreme high around the 20th to 22nd. Minor moves: 1st to 3rd top of quick advance; 12th to 13th bottom for another big advance; 20th to 22nd top of sharp rally; then follows a decline making bottom around the 26th to 27th when steels should be bought for another advance, running to the end of the month and continuing into May.

Railroad Stocks indicate extreme low for the month around the 10th to 11th and extreme high around the 20th to 22nd, although they will be quite strong and some will make higher just at the end of the month. Minor moves: 1st to 3rd-4th quick advance; then follows a moderate decline, reaching bottom around the 10th to 11th, when a sharp advance will take place, stocks running up fast and making top around the 20th to 22nd, followed by a reaction to the 25th; then a strong advance to the end of the month.

Dates to watch for change in trend: 2nd to 3rd X; 9th to 10th X; 13th to 15th XX; 21st to 23rd XX; 26th to 27th X.

MAY

This is a month for great activity in the stock market. We will hear some very bullish news about general business conditions. There will be some large combines, consummation of mergers; large financial deals will take place and there will be much talk of continued prosperity, all of which

will cause the public to buy stocks at the top. General news will be very bullish and stocks will fluctuate over wide ranges. Some stocks will reach high around the early part of the month and have a break around the middle of the month. There will be a boom in rubbers, sugars, oils, airplanes, radio and electrical stocks. These will be the leaders. Watch for top and sell out. Do not overstay your market as a big break will take place in June.

Industrial Stocks indicate extreme high for the month around the 29th to 31st and extreme low around the 9th to 10th. Minor moves: 1st to 4th quick rally, making top for a sharp reaction; 9th to 10th bottom of decline; buy for another sharp advance; 16th top of rally, but only for a minor reaction; 20th bottom of reaction. Stocks in strong position will have a rapid advance between the 10th and 29th. Watch for top around this time.

Railroad Stocks indicate extreme high for the month around the 3rd to 4th; extreme low around the 11th to 13th, although some issues will go to extreme high around the end of the month. Minor moves: 1st to 3rd strong market, making top around 3rd to 4th. Then follows a decline, making bottom around the 11th to 13th, followed by an advance making first top around the 25th for a moderate reaction to the 28th; then rally to the end of month.

Dates to watch for change in trend: 3rd to 4th X; 9th to 10th XX; 22nd to 23rd X; 29th to 31st XX.

JUNE

A sharp decline and heavy liquidation in many stocks is indicated for this month. There will be war in foreign countries or war rumors. Strikes at home as well as abroad. Crop news will be unfavorable. Storms or earthquakes on the southern border and in Mexico will do damage and help to unsettle the market. The outlook for the summer business will be very much mixed. One of the major cycles and time factors runs out this month and a very important change in trend is indicated. High-priced stocks will have rapid declines and many stocks will make extreme high for the year.

The tin, oils and agricultural stocks and also the chemicals will break badly after reaching top in the early part of the month. Motors will also decline sharply.

Industrial Stocks indicate extreme high for the month around June 1st; extreme low around the 22nd to 24th. Minor moves: 1st to 2nd advance and make top for a big decline; 10th to 11th bottom of sharp decline; then follows a moderate rally reaching top around the 17th, followed by heavy liquidation and sharp decline making bottom 22nd to 24th. From the 24th to the end of the month many stocks will have quite a rally.

Railroad Stocks indicate extreme high for the month around the 3rd; extreme low around the 10th to 11th and 28th to 29th. The rails will not move in a very wide range this month, except a few of the very high-priced issues. Minor moves: 1st to 3rd advance; 4th to 10th-11th sharp decline; then follows a moderate rally, reaching top around the 21st to 22nd followed by liquidation and lower prices, making bottom for the month 28th to 29th.

Dates to watch for change in trend: June 1st to 2nd XX; 7th to 10th X; 21st to 23rd XX; 28th X.

JULY

Another advance will take place this month and many stocks will have sharp rallies and reach the final high for the year. The airplane companies will prosper and their stocks will advance. Electrical and chemical stocks will also record sharp advances. Pools will rush up stocks as fast as they can to unload. The late movers will be brought into line while distribution is taking place in the old time leaders. Sugars and rubbers should have some sharp advances. A very important major time factor ends at this time and indicates the starting of a big prolonged bear campaign. Remember that the last high for the year will occur in many stocks. A great deluge and panicky decline will follow the top at this time, resulting in a "Black Friday" in September. There are likely to be some labor troubles and strikes in the west and south which will interfere with the business outlook.

Industrial Stocks indicate extreme high for the month around the 20th; extreme low around the 9th to 10th. Minor moves: 1st to 3rd strong market, making top for a quick decline; 9th to 10th bottom of sharp decline; then follows a rapid advance, making top on the 20th; decline, reaching bottom on the 22nd; followed by a strong market to the end of the month.

Railroad Stocks.—The rails will move in a comparatively narrow range this month. Extreme low is indicated around the 9th to 10th and 22nd; extreme high around the 15th. Minor moves: 1st to 3rd advance; then follows a decline making bottom around the 9th to 10th; a quick rally to the 15th; then follows a sharp decline reaching bottom on the 22nd, followed by an advance to the end of July.

Dates to watch for change in trend: 3rd to 5th XX; 10th X; 21st to 24th XX; 30th to 31st X.

AUGUST

A few of the late movers will advance this month and reach final high. Chemical stocks will be among the last to advance. The steels and oils will be strong for awhile and the sugars and rubbers will make final top. Unfavorable news will develop which will start sharp declines and the long bull campaign will come to a sudden end. Money rates will be high and final top will be reached for a big bear campaign. Stand from under! Don't get caught in the great deluge! Remember it is too late to sell when everyone is trying to sell. There will be electric storms which will cause damage to crops and heavy losses are indicated through fires.

Industrial Stocks indicate extreme high for the month around the 7th to 8th; extreme low 29th to 30. Minor moves: The first of the month starts in strong and prices run up fast reaching top around the 7th to 8th; then heavy selling will take place and a sharp decline will follow, bottom being reached around the 16th to 17th, but only for a small rally; 23rd to 24th top of rally, followed by heavy liquidation and lower prices, making bottom for the month around the 29th to 30th.

Railroad Stocks indicate extreme high for the month around the 8th to 9th, although some industrial stocks and rails among the late movers will hold up and not make top until the 14th to 15th as indicated on Curve No. 2. Extreme low for the month for rails indicated around the 30th to 31st. Minor moves: 1st, advance will start and prices will run up fast, making top around the 8th to 9th; then follows a fast decline, reaching bottom around the 20th to 21st followed by moderate rally to around the 25th; then a sharp decline making low for the month on the 30th to 31st.

Dates to watch for change in trend: 7th to 8th XX; 16th to 17th X; 23rd to 24th XX; 29th to 30th XX.

SEPTEMBER

One of the sharpest declines of the year is indicated. There will be loss of confidence by investors and the public will try to get out after it is too late. Storms will damage crops and the general business outlook will become cloudy. War news will upset the market and unfavorable developments in foreign countries. A "Black Friday" is indicated and a panicky decline in stocks with only small rallies. The short side will prove the most profitable. You should sell short and pyramid on the way down.

Industrial Stocks indicate extreme high for the month around the 2nd to 3rd; extreme low 27th to 28th. Minor moves: 2nd to 3rd top of moderate rally. Heavy liquidation will break out around this time. Unfavorable news will develop and a sharp, severe decline will take place, reaching first bottom around the 16th to 17th, but only for a small rally. 20th to 21st top of moderate rally followed by another heavy wave of liquidation, carrying prices down to extreme low levels around the 27th to 28th, from which level a moderate rally will follow.

Railroad Stocks indicate extreme high for the month around the 3rd; extreme low at the end of the month. Minor moves: 1st to 3rd advance. Liquidation will start around this time and a sharp decline will follow, carrying prices down to around the 16th-17th; then a moderate rally

on short covering with top around the 23rd-24th, followed by a sharp decline running down to the end of the month.

Dates to watch for change in trend: September 2nd to 3rd XX; 16th to 17th XX; 21st to 24th X; 27th to 28th XX.

OCTOBER

General business conditions will be getting worse and the country will suffer from the over-speculation. Money rates will be high and bankers will call loans, causing some sharp declines in stocks after rallies. The chemical, electrical and airplane stocks will hold up and have some quick rallies around the dates indicated for advances.

Industrial Stocks indicate extreme high around the 18th to 19th; extreme low around the 8th to 9th and 26th to 28th. Minor moves: October 2nd top of small rally from which a sharp decline will take place; 8th to 9th bottom of decline, when a better advance will take place, especially in the stocks in strong position; 18th to 19th top of rally. Stocks in weak position will have a sharp decline, running down to the 26th to 28th; then follows a moderate rally to the end of the month.

Railroad Stocks indicate extreme high for the month around the 10th to 11th; extreme low 23rd-24th. Minor moves: 1st to 4th decline and make bottom for a moderate rally; 10th to 11th top of rally; then follows a heavy wave of liquidation and lower prices making bottom around the 23rd to 24th, followed by a moderate advance to the end of the month.

Dates to watch for change in trend: 2nd to 4th XX; 8th to 9th X; 18th to 20th XX; 26th to 28th X.

NOVEMBER

The oils, chemicals and rubbers will have a final advance this month and make top for another decline. Business conditions will be growing more unfavorable. There are likely to be earthquakes in Mexico or California. This will disturb the stock market and depress business. This is the

month for war news from foreign countries and some great leader abroad will show his power. The latter part of the month is very unfavorable and some sharp declines will take place. But the airplane, radio and electrical companies and some of the rails will have an advance around the 10th to 22nd.

Industrial Stocks indicate extreme high for the month around the 2nd to 4th; extreme low around the 23rd to 25th. Minor moves: 1st to 4th advance and make top for a sharp, severe decline; then follows heavy selling and a sharp decline, reaching bottom around the 11th to 12th, but only for a moderate rally; 18th to 19th top of advance. From this level there will be another sharp, severe decline carrying prices down to low levels around the 23rd to 25th. Then follows a moderate rally to the end of the month.

Railroad Stocks indicate extreme high for the month around the 21st to 22nd; extreme low around the 27th to 28th. Minor moves: 1st to 2nd top of moderate rally; then follows a decline, reaching bottom around the 9th to 11th; then a quick rally, making top around the 21st to 22nd followed by heavy liquidation and a sharp decline, making bottom around the 27th to 28th.

Dates to watch for change in trend: 1st to 2nd XX; 11th to 13th X; 17th to 19th XX; 24th to 26th X.

DECEMBER

Our business in some of the foreign countries will increase. Speculation will shift from stocks to commodities. The U. S. Government is threatened with great opposition, if not danger of war. General business outlook will grow very much more unfavorable. Panicky declines in stocks will take place.

Industrial Stocks indicate extreme high for the month around the 2nd; extreme low around the 23rd to 24th. Minor moves: 1st to 2nd advance; then follows a sharp, severe decline and heavy liquidation with only small rallies indicated lasting one to two days, reaching extreme low

around the 23rd to 24th; then follows a quick rally reaching top on the 28th followed by decline to the 31st.

Railroad Stocks indicate extreme high for the month around the 2nd; extreme low around the 24th. Minor moves: 1st to 2nd advance; 3rd to 10th sharp decline, making bottom for only a moderate rally; 15th top of rally; then heavy liquidation and a decline running to the 24th; then follows a rally to the end of the month.

Dates to watch for change in trend: 1st to 2nd XX; 16th to 17th X; 23rd to 24th XX; 28th X.

This Forecast is PRIVATE AND CONFIDENTIAL and for your personal use only. For your own protection do not permit others to copy or use it.

W. D. GANN.

November 23rd, 1928.

TIME FACTOR AND FORECASTING METHOD

After you have learned all of the rules laid down in TRUTH OF THE STOCK TAPE and WALL STREET STOCK SELECTOR and have learned how to apply them, I am sure you will agree that I have given you more than your money's worth in these books. You will then be ready for a post-graduate course and will probably want to know how to forecast according to my Master Time Factor, and determine the years when stocks will have big advances and reach final tops and also the years and the cycles when panicky declines are indicated.

I teach all of these rules with my complete Forecasting Methods, showing how to determine the major and minor swings according to the time element. I can teach you how to determine the wave lengths of different stocks so you will know about how many points they are going to advance when they go into new territory and about how many points they are going to decline when they break out of the zone of distribution. With my Forecasting Methods, you can make up a forecast for the average market one or more

years in advance and also make-up a yearly forecast on individual stocks. Each stock moves according to its individual time limit and makes top and bottom at different times, because the vibration and wave length varies on the different stocks.

I teach Courses of Instruction on Cotton, Wheat, Corn, Oats, Rye, Lard, Coffee, Sugar, Cocoa, Rubber, Silk and other commodities, but I only impart these Methods to people who are willing to comply with my requirements. They are too valuable to be broadcast or put in the hands of people who cannot use them to advantage. Therefore, I only teach them to people who want them for their own use and do not intend to publish them or sell them to others. I will not teach my Forecasting Method to anyone unless I feel sure that they can make a success with it after they learn it. Some men cannot make a success with any kind of a method or rule. I would not take a man's money and teach him something that I did not think would benefit him.

The man who expects to succeed in speculation or investments must study and learn all that he can about the market. It has been well said, "Where knowledge begins, speculation ceases." Therefore, the aim and object of every man who wants to make success in speculation or investing should get as much scientific knowledge as possible and then he will be able to make profits.

W. D. GANN SCIENTIFIC SERVICE

My method of determining the trend of the stocks and commodity markets has stood the test of time. I have been in New York City for 22 years and have always done business under my own name. This Service possesses many superior advantages over other classes of service, because it has the one thing lacking in all other services—the *time element*. My discoveries of a Master Time Factor and the Great Cycle enable me to forecast markets years in advance. I do not depend on space charts based on space movements alone, because these would make errors and cause losses. I use volume combined with the proper time charts, which help me to determine the technical position of the stocks

much better and a long time before the statistical position is shown. Time tells on all things. The fact that I have been selling my Forecasts all over the United States and in many of the foreign countries for the past 15 years, proves that they are valuable, because people continue to subscribe to them year after year. Investors and traders are always willing to pay for what will help them to make a greater success. It pays to get the best scientific knowledge, because the best is always the cheapest in the long run and you cannot expect to get something good for nothing. Experience has taught me that the best way to help others is to show them how to help themselves, and if I can get subscribers to read my books and learn my Methods, they make a greater success following my Service.

Supply & Demand Letter.—The object of this Service is to give you valuable advice based on scientific methods and to show you how to help yourself. Only a fool makes mistakes without learning something. I have benefited because I have made mistakes in the past and made losses. I can show you how to avoid the mistakes that most of the traders make in Wall Street.

The Busy-Man's Service.—Many bankers, merchants, manufacturers, lawyers, doctors and business men in all walks of life have no time to study the market and do their own forecasting. Therefore, our Service provides expert analysis for the man who cannot find time to do it himself. The busy-man's service which we furnish is really a personal service. We supervise accounts, constantly watching your stocks, advise when to buy or sell specific stocks; write personal letters, and send telegrams when necessary, but you do your own trading. We do not buy or sell for anyone and will not handle discretionary accounts under any conditions. We have nothing to sell but Service.

Being out of the market and not buying or selling anything or handling any promotions, I can give you better expert opinion, based on mathematical science and my time factors, than any banker, broker or other service. To succeed we must keep subscribers making money. There can be no loss in good service; it is all pure gain. The more we help others, the greater we are benefited.

CHARTS ON STOCKS AND COMMODITIES

We keep up charts on hundreds of different stocks and are prepared to make up daily, weekly and monthly high and low charts on almost any stock with or without the volume of sales. These charts are very valuable for traders to study. Every trader and investor should have a chart on the stocks that he trades in. The charts that we make up are not blueprints, but are made by hand on cross-section ruled paper and can be continued. With these charts and the rules and methods given in **TRUTH OF THE STOCK TAPE** and **WALL STREET STOCK SELECTOR**, you will make a greater success.

Prices for making up charts:

Monthly high and low chart for three years.....	\$1.00
or ten years back for.....	3.00
Weekly high and low chart for one year.....	2.00
or with volume.....	3.00
Daily high and low chart for one month.....	2.00
six months or more at \$1.00 per month or one year for....	9.00

We also make up charts on cotton and grain options and other commodities at the same prices.

FOR THE YEAR 1932

[The Riverside Daily Press of Riverside, California, December 21, 1931]

Wall Street Economist Predicts More
Hopeful Times in Country During 1932

W. D. Gann, Wall street economist, president of W. D. Gann Scientific Service, the man who predicted the 1931 panic, says the worst is over and sees better times for 1932. He anticipates for next year:

A settlement of the foreign debt situation.
Stabilization of silver.
Modification of the American tariff.
Adjustment of labor and capital issues.
A sharp advance in the price of basic commodities.
Marked improvement in general business.
Passing of the unemployment crisis.
Congressional action on prohibition.
A bull market in stocks.

Gann has gained national recognition because of his forecasts on business conditions, and this latest prophecy will no doubt have a psychological effect in cheering us up at this Christmas season. Gann's views on business conditions have been widely sought because of his correct business forecasts. His optimistic predictions for 1932 will make pleasant reading for a nation which has been overfed with talk of depression.

Gann has completed his calculations on a forecast of general business conditions and the stock market for 1932. He says that the worst is past in the stock market and that there will be improvement in business in 1932 and a bull market in stocks. He cites some of the causes for improvement in business, one of which will be an advance in commodities, such as wheat, corn, cotton, which will increase the buying power of the farmer. He believes the price of silver will advance and the metal will be stabilized, which will greatly increase trading from foreign countries which are on a silver basis. Gann states that some of the contributing causes for the next wave of prosperity are:

"Public confidence. One of the reasons why the last stage of this period of depression and panic in the stock market has been so bad is due to lose of public confidence. The public has lost confidence in political leaders; lost confidence in the judgment of their financial leaders. They have withdrawn their money from the banks and sold out stocks because they consider it safer to have the cash and hoard it than to hold securities. This condition will rapidly change in 1932. People will again get over their fear and will become more hopeful. And with hope and confidence will come a buying wave which will quickly restore business to normal and later end in boom times."

[Automatic Age, December 1931]

"Worst Over" Says
Gann, Economist

W. D. Gann, Wall Street economist president of W. D. Gann Scientific Service, Inc., member of the New Orleans Cotton Exchange and of the Rubber Exchange of New York, and who is credited with predicting the 1931 depression, says the worst is over and sees better times for 1932. He anticipates for next year:

A settlement of the foreign debt situation.
Stabilization of silver.
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Marked improvement in general business.
Passing of the unemployment crisis.
Congressional action on prohibition.
A bull market in stocks.

In 1909 Mr. Gann gained recognition through his forecast of the exact day when railroad stocks would reach top in the month of August. He is credited with predicting the end of the World War many months in advance. In 1923 Mr. Gann wrote "Truth of the Stock Tape," predicted the Coolidge bull market which followed and picked the chemicals and airplane stocks for future leaders. This forecast proved remarkably accurate. Chemical stocks had big advances, Allied Chemical rising from 34 to 354, Wright Aeroplane from \$8 to \$299 per share.

Early in 1927 Mr. Gann wrote "The Tunnel Thru the Air, or Looking Back from 1900 [sic]." In this book Mr. Gann forecast the great bull market in stocks and its culmination in 1929 and made it obvious that 1930 and 1931 would be years of severe depression and panic in the stock market.

FOR THE YEAR 1933

[The Hutchinson News of Hutchinson, Kansas, Jan. 3, 1933]

SEES A CYCLE
OF PROSPERITY

New York Financial Scientist
Believes 1933 Will Usher
In Good Times.

New York, Jan. 3 - A new era of prosperity is due to start in 1933, according to W. D. Gann, New York scientist and economist.

Mr. Gann sees the swing of another cycle of prosperity, starting this year. In a New Year's statement he says:

"My study of past time cycles and their recurrence, based on harmonic analysis, forces me to conclude that 1933 will usher in a new era of prosperity.

"The year 1933 will be known as the sacred or holy year because it is 1900 years since the death of Jesus Christ and at the end of each 100 years after this important event there have been marked changes in the religious, political and financial world. I have studied these changes as the cycles change, for many hundreds of years back, going back to 1833, 1733. In 1833 the building of railroads was just getting started in the United States and this new mode of rapid transportation helped to bring prosperity. We find many important events confirming a change in cycle and a change in conditions at the present time.

"There is a theory based on the mathematical science of Numbers, in which the year is reduced to its lowest digit. 1933 reduced to its lowest digit is 7, and "7" is referred to throughout the Bible as a sacred and important number. It is known as a fortunate or lucky number. Therefore the Key Number or the digit for 1933 is 7 and this year indicates the beginning of a new and better cycle for the United States.

Crops

"A study of the repetition of cycles indicates that in 1933 crops in many parts of the United States countries will be below normal. This will cause an advance in the price of commodities, which will increase the purchasing power of the farmers and help to bring a return to prosperity. According to my theory and study of the wheat cycles, going back for more than 1000 years, the indications are that the low level in wheat prices for the year 1833 [third digit is unclear; may be 1883 or even 1893] will occur in the early part of January and after that the price of wheat should slowly work higher. The Cotton crop will also be short in many of the foreign countries and will be below the average in the United States.

Capital And Labor

"There is an old saying that it is an ill wind that blows no good. The depression that we have passed through has brought about a better understanding between capital

and labor and has taught both a lesson that will be valuable and will lay the foundation for greater prosperity in the future.

Reduced Cost Of Operating

"Large manufacturing concerns throughout the United States have made drastic reductions in the costs of operating. If some of these reductions had been talked of in 1929, people would have said that they were wild dreams, but now that they have become a reality, this will be one of the basic factors for a greater return on the invested capital and will help corporations earn their dividends on a much smaller volume of business now than it was possible to do in 1924 to 1929.

Building

"Since 1929 building throughout the United States has gradually decreased, but the population has increased and as soon as people are back to work and employed on anywhere near a normal basis, the demand for dwellings and apartments will increase. This will stimulate building throughout the country and help business.

Gold and Silver

"The only two large countries now on the gold basis are the United States and France. It is generally agreed that something must be done. Either the gold ounce must be revalued or the price of silver must be increased in proportion to the price of gold if we are ever to do a large business with foreign countries now off the gold standard or on the silver basis. We are in a cycle that in the past has produced some change in the standard of money values. I believe that in 1933 the price of silver will advance and that some change will be made in the standard of exchange which will increase our business with foreign countries.

New Discoveries

"In the past new industries and new discoveries have brought about revivals from periods of panic and depression. I believe that we are on the eve of a remarkable chemical discovery, which will revolutionize our mode and manner of living, help to solve the unemployment problem, bring shorter working hours and greater benefits and pleasure to the masses. The latest reports are that television is a success and this as well as the radio will help to revive business.

Airplane Industry

"Despite the depression, the airplane industry has gone forward by leaps and bounds and within the next two years, or perhaps in less time, airplanes will be carrying passengers across the Atlantic and Pacific and also carrying mail and express. This will bring us in closer contact with foreign countries and stimulate business.

Debt Settlement

"When President Roosevelt takes office on March 4, he will be confronted with the tariff question and the settlement of the foreign debt situation. I believe that he will solve these important questions in a short period of time and establish more friendly relations with foreign countries and revive our foreign trade.

Hoarded Money

"We know that throughout the United States hundreds of millions of dollars have been hoarded and taken out of circulation and out of business. With a revival of business, this money will go back into circulation and will help to increase buying power and stimulate business throughout the country. Just imagine the effect, if all the hoarded money throughout the United States was invested in bonds or put back into business, and what a change it would make. Money is just as sure to return to circulation when people become more hopeful and are more sure of the future as it was taken out of circulation when people became fearful and no longer trusted the banks or their political leaders. Money is to the business world what the circulation of blood is to the human body. Stop the circulation of the blood and the human being stagnates and dies. Stop the circulation of money and the nation stagnates and business and employment decrease.

Public Confidence

"As we come to the close of the year 1932, after passing through three years of the worst depression in the world's history, we find confidence slowly but surely returning. The effect of restored public confidence will have more influence in bringing back prosperity than any other one thing. People made up their minds long ago that conditions were bad and getting worse and continued to talk depression. Recently we hear people say that the worst is behind us. This shows that the trend is changing and that the slow-moving cycle of time, having run its course in one direction, is slowly moving back in the right direction. I believe that many events will take place in 1933 to restore public confidence. This will be one of the great determining factors of our return to a new era of prosperity."

FOR THE YEAR 1936

[The Brooklyn Daily Eagle of Brooklyn, NY, July 26, 1936]

Importations of Wheat by U.S. Seen as Probable

The United States may find it necessary to import wheat in the near future, it is predicted by W. D. Gann, economist and member of the Commodity Exchange, Inc. He points out that indications are that the present crop of wheat will hardly meet domestic requirements. In addition to this, the world supply of wheat is the smallest in many years and the situation is becoming more critical with the unrest in Europe.

"Crop scares usually are the worst for wheat during the months of July and August," says Mr. Gann, "and often high prices are reached, as past records show. For example: in July, 1933, December wheat sold at \$1.24. In recent years there has been a supply of wheat every time prices reached \$1.10 to \$1.13.

High
August, 1934 \$1.13
October, 1935 1.10
July, 1936 1.11

"Should the demand increase due to war or further crop damage and prices are forced through these levels of \$1.10 to \$1.13, then we can expect wheat to advance to around \$1.25 per bushel or higher.

"The situation in corn is much different than wheat. When prices reach extremely high levels in this country, Argentine floods the country with corn because at present prices Argentine can sell corn in our markets around 20 to 25c per bushel under our prices and still make money. High prices here will induce Argentine to grow a larger crop of corn for next year, which will come on the market right after our crop has been harvested and sold.

"Past records show that we usually have a crop scare on corn in July and August and at that time prices reach high levels; then when the crop begins to move to the market in the fall of the year, prices recede."

FOR THE YEAR 1937

[The Milwaukee Journal, Nov. 7, 1937]

Predicted Stock Market Crashes of 1929, 1937

Gann Says There'll Be Another Decline in November and an Upturn in December of This Year

New York, N. Y. — W. D. Gann, who forecast the 1929 stock market crash one year in advance and predicted the exact date, Sept. 3, 1929, when the panic would start, has made another hit.

His 1937 Stock Forecast, issued Nov. 18, 1936, is just as accurate. On page 2 he said — "General Outlook for 1937":

"This year comes under a time cycle which definitely indicates a bear year in most stocks and a panicky decline in the first half of the year and another panicky decline in the last half of the year. Fluctuations will be wide. Sudden, unexpected events of an unfavorable nature will occur from time to time which will upset the market and rallies will fail to hold. Action by the government and laws changed or passed by congress will have a great influence on business conditions and stock prices.

* * *

"Many people are still buying stocks or holding stocks and hoping for the day when inflation will come and they will be able to sell at high prices. Inflation has been going on ever since 1933 and one of these days people will wake up and find that deflation has set in and then they will realize that inflation had already existed.

* * *

"The securities and exchange commission is getting more drastic in its regulations of operations on the exchange and there is likely to be more legislation in 1937. This will cause less support to the market in the future because there will be less buying by floor traders and specialists, and probably less short selling, therefore less support from short sellers when a panic takes place. The final result of all this regulation is likely to do more harm than good as far as the public is concerned."

A Matter of Record

It is a matter of record that the Dow-Jones 30 industrial stock averages reached extreme high on Mar. 8, 1937, and Mr. Gann's forecast called Mar. 6-8 as last high of the year. The decline lasted until June 18, when the Dow-Jones averages were down 32 points. His forecast called for a decline of 32 points and indicated June 23-25 as last low before a rally into August. The forecast said last high would be reached Aug. 25-27 before a panicky decline would start. The Dow-Jones averages reached high Aug. 14, up 27 points from June lows, and on Aug. 25 the market had the last rally and the decline started.

Long Bear Wave

In his forecast for August on page 15 he said: "This should be one of the active months for the stock market. Sudden, unexpected events of an unfavorable nature will cause some sharp breaks and, in fact, this is the month when the market should start on its long bear wave again. The newspapers will try to make it appear that business is improving but it will be far from good. There will be disturbing conditions at Washington and some trouble over crop control or shortage of crops due to government action. Stocks will rally from time to time but the short side is where the big money will be made."

The bear market started in August as predicted. Mr. Gann's forecast called for low Oct. 14-15 and the extreme lows were reached on Oct. 19, just four days later, when there was a panicky decline, culminating in one of the worst declines in the history of the stock exchange, with the Dow-Jones averages down 79.65 points. The most uncanny prediction by Mr. Gann was that the averages could decline a maximum of 80 points.

In his 1937 forecast, page 7, he said: "The range in these industrial averages during 1937 is not likely to be less than 50 to 60 points and may reach a maximum of 80 points."

His forecast called for a sharp advance from Oct. 15 to 30 and the Dow-Jones averages advanced 23 points from Oct. 19 to 30.

Advance in December

Mr. Gann was asked how it was possible to make such an accurate forecast one year in advance. He stated that it was his own discovery of a mathematical master time factor and cycle theory which enables him to tell when certain cycles recur and great panics and booms take place. He said that the extent of an advance was determined by a theory based on the law of averages and that under certain time cycles stocks decline or advance about the same number of points.

"What about the near future of the stock market?" Gann replied: "My forecast indicates that stocks will back and fill until around Nov. 15, when congress meets. Then they will have another decline and reach low of the reaction about Nov. 26-27, followed by an advance in December."